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Ferment Among Soviet Allies

Gorbachev Era Propels East Europe Toward Change

By Jackson Dichl
Washington Post Service

PRAGUE — Eight months after Mikhail S. Gorbachev challenged Eastern Europe to reform its economic and political affairs, the region is in a ferment of upheavals, reform plans, internal power struggles and public debates that are a product of the Gorbachev era and yet relatively free from Moscow's direct manipulation.

In the past four months, all six of Moscow's Warsaw Pact allies have experienced political events that seemed to mark a break with previous periods of stagnation. Although the developments and their causes have varied from country to country, the overall effect has been to propel this region toward the dynamic of change Mr. Gorbachev has sought to create around the Communist world.

The latest shift came last week as Gustav Husak, the veteran Czechoslovak leader who was a symbol of orthodoxy throughout the East

bloc, retired as party chief. Although his successor, Milos Jakes, pledged continuity, the retirement represents the first step for any real change in Czechoslovakia.

Mr. Husak's move added to a burst of activity in Eastern Europe unseen in its breadth since the years 1968 and 1956, when protests and reform movements erupted in several countries and eventually ended with Soviet interventions.

Riots erupted last month in the Romanian city of Brasov, providing the first serious blow to the neo-Stalinist dictatorship of Nicolae Ceausescu. In Poland, Communist authorities announced a major economic and political reform plan, held a referendum on it, then announced that they had failed to

ing the aged party leader, Janos Kadar, toward retirement.

Todor Zhivkov, the Bulgarian party leader, announced his own radical and seemingly eccentric reform plans. And the East German leader, Erich Honecker, though resisting the Moscow-inspired policy trends made the historic visit to West Germany that the Kremlin had so often blocked in the past.

Although Mr. Gorbachev may have had a role in some of these developments, not all of the political shifts have appeared favorable for Moscow. In the case of Romania, the riots and possible weakening of Mr. Ceausescu have had only a slight relation to Mr. Gorbachev's reform drive.

"There's no script, no monolithic movement," said a Western diplomat in Warsaw. "But everywhere you look, something is happening. And that in itself is a real change."

The diverse character of the change seems closest to what Mr. See EAST, Page 6

After Intermediate-Range Pact, Can Battlefield Weapons Be Far Behind?

By Joseph Fitchett
International Herald Tribune

PARIS — Amid the hopes for new disarmament agreements following the treaty on intermediate nuclear forces, a divisive question has arisen in the West: Will West Germany seek to rid NATO of short-range nuclear weapons that will remain in Europe after intermediate-range missiles are gone?

These battlefield nuclear missiles and artillery with ranges of less than 300 miles (500 kilometers), would devastate West Germany if they were fired against Warsaw Pact targets. So West German leaders, including

members of the center-right coalition government, are anxious to eliminate them.

But this step, called "triple-zero" after the double-zero in the INF treaty that eliminated two categories of intermediate-range missiles, would play havoc with other Western

NEWS ANALYSIS

ern governments' plans for a controlled disarmament agenda.

And it would start the alliance down what Lord Carrington, the North Atlantic Treaty Organization secretary-general, calls "the slippery slope" of overly hasty disarmament that could leave the West without any nuclear deterrent in Europe to face the Warsaw Pact's superiority in conventional forces.

For the moment, he and other Western officials have played down this friction over triple-zero because, sides say, they want to avoid a divisive debate during hearings in the U.S. Senate about ratifying the INF treaty.

But George P. Shultz, the U.S. secretary of state, said in Bonn last week that NATO had an order of priorities in future arms-control negotiations: strategic arms, conventional arms and chemical weapons and, finally, triple-zero.

This final option "is not ruled out forever, by any means," he said, adding: "all necessary weapons to sink a submarine and, of course, find out about its nationality. This means that blood will flow, but that is the violating power's problem, not Sweden's. We will not hesitate even if human lives will be lost. Our borders are holy. We will defend them," Mr. Carlsson added.

Kiosk

Sweden Warns On Submarines

STOCKHOLM (UPI) — Prime Minister Ingvar Carlsson warned Sunday that "blood will flow" if foreign submarines continue to violate Sweden's territorial waters.

Local commanders already have the right to fire on intruding submarines and he reiterated on Swedish Radio that Sweden would use "all necessary weapons to sink a submarine and, of course, find out about its nationality. This means that blood will flow, but that is the violating power's problem, not Sweden's. We will not hesitate even if human lives will be lost. Our borders are holy. We will defend them," Mr. Carlsson added.

MONDAY Q&A



Charles Sin Cho-Chiu, the new chairman of the Hong Kong stock exchange, defends its regulatory system. Page 9.

Last week Mr. Yang, still a Kim Dae Jung loyalist, said changed circumstances had voided his prediction, and indeed few observers expect the two Kims to fade away.

Their failure to unite, however, has left South Korea's opposition adrift, not only at a political disadvantage but unsure of the moral high ground it staked out during years of struggle against military-installed regimes.

Some observers hope a more tolerant government and a less factional opposition, less prone to take to the streets, will emerge.

The two Kims have refused to concede defeat, saying that government fraud, not their humility, allowed Mr. Roh to win. Kim Young Sam, normally the more moderate of the two, said last week that he would fight to the death to overthrow the current regime.

For Sandinists, Economy May Be the Worst Enemy

By James LeMoine
New York Times Service

MANAGUA — By traditional measures, 1987 is the year the Nicaraguan economy essentially collapsed. If fundamental changes do not occur, 1988 will see the national currency become worthless according to diplomats, local economists and trade union leaders.

The economic crisis is so severe in Nicaragua that several political analysts say the economy is the greatest threat to the Sandinists' ability to rule the country, even more than the war against the U.S.-backed Nicaraguan rebels, commonly known as contras.

"My members no longer have any faith in the Sandinistas' ability to offer a short-, middle- or long-term solution to the country's problems," said Carlos Salgado Menendez, the head of the General Confederation of Labor.

The confederation is one of the largest independent trade organizations in the country. Mr. Salgado, who spoke in an interview, has supported the Sandinists in the past.

A spokesman for the rebels said Sunday that they had begun the largest military operation in their seven-year war against the Nicaraguan government. The Associated Press reported from Santo Domingo.

Press reported from Santo Domingo.

[The operation, involving 7,000 troops, came on the eve of peace talks here between the U.S.-backed rebels and Nicaragua's Marxist Sandinist government.

[Bosco Matamoros, the officer responsible for military and politi-

cal information for the rebel umbrella organization, the Nicaraguan Resistance, said the attacks came in the gold-mining area of eastern Zelaya Province. He said the rebels' objectives are the towns of Siuna, Rosita and Bonanza, and some landing strips in the area.]

Leading economists in Managua say that inflation this year is well over 1,000 percent. The Nicaraguan cordoba, worth 3,000 to the U.S. dollar earlier this year, has dropped to 30,000 to the dollar on the street and is still sliding.

The largest gold available in Nicaragua earlier this year was a 1,000-cordoba note. Last week, the government began printing 50,000-cordoba notes, leading to

now worth around \$100 apiece, these Napoléons were destined for the trinket box and the Christmas stocking.

Unlike most gold buffs, Mr.

PARIS, MONDAY, DECEMBER 21, 1987

Algeria	4.00 Pic.	Iraq	1.15 Kilo. Copper	1,000 Kgs
Austria	22.5	India	1000 Lvs. Copper	125 Kgs
Bahrain	10.000	Indonesia	1,000 Lvs. Copper	800 Kgs
Bulgaria	50.00 Lvs.	Ireland	500 Frs. Rep. of Ireland	75 P.
Canada	C\$1.15	Kenya	\$10.00 Gold	7.00 L.
Cyprus	C\$.020	Morocco	500 Frs. Spain	125 Pic.
Denmark	10.00 Dkr.	Liberia	1.00 Pic.	5.00 P.
Egypt	EP 1.250	Lithuania	50 Lvs.	1,000 Kgs
Finland	—	Madagascar	1,000 Dkr.	1,000 Kgs
France	7.00 D.	Morocco	100 Dkr. Turkey	1,000 Kgs
Germany	27.00 DM.	Netherlands	120.00 U.S. Dollars	800 Kgs
Great Britain	£1.00	Norway	£1.00 NLG. U.S. M.	1,000 Kgs
Greece	1.10 Dr.	Nigeria	5.50 Naira Yugoslavia	2,250 D.

ESTABLISHED 1887



A Palestinian passing Israeli soldiers in Gaza City. Rioting continued Sunday in the occupied territories for the 12th day.

Candidates Dismiss Hart Despite New Polls

The Associated Press

WASHINGTON — Democratic and Republican presidential candidates dismissed on Sunday any chance that Gary Hart will capture the 1988 Democratic nomination, despite new polls showing the former Colorado senator ahead of the other candidates in his party.

Sen. Paul Simon, Democrat of Illinois, who ranked first among Democrats in an Iowa poll until Mr. Hart re-entered the race Tuesday, predicted the uproar surrounding Mr. Hart's suddenly revived candidacy would subside.

Mr. Hart caused widespread astonishment last week when he announced the resumption of his campaign seven months after he dropped out because of his relationship with the model Donna Rice.

Democrats who said they were likely to participate in the Iowa caucus Feb. 8 showed Mr. Hart with the support of 29 percent of those surveyed, followed by Mr. Simon at 18 percent.

The newspaper said a similar survey taken just before Mr. Hart's re-entry showed Mr. Simon with 35 percent, ahead of Governor Michael S. Dukakis of Massachusetts,

who moved up 2 percentage points in the new poll to 16 percent.

Mr. Simon said he was not surprised by Mr. Hart's immediate jump in the polls.

"I don't think it's unusual," he said, adding that in 1976 "much the same thing was being said and you had Hubert Humphrey and others who were way ahead of Jimmy Carter, but Jimmy Carter emerged in Iowa and then he emerged on the national scene."

Mr. Dukakis, who also appeared on the television program, dismissed the polls, saying that American voters, especially those in Iowa, were concerned with economic stability, medical care and other issues.

The Massachusetts governor, interviewed during a campaign stop in Iowa, said that he had met with

50 "interested Iowa citizens" Sunday morning and that Mr. Hart was not discussed.

"They weren't talking about press coverage or personalities or Gary Hart," Mr. Dukakis said. "They are interested in the economic future of this country, whether or not there are going to be good jobs and economic opportunity with politics," he said. "This is going to be a joyless Christmas."

Mr. Simon said when asked if he would support Mr. Hart if he won the nomination, "I will support the nominee of the party but it will not be Gary Hart."

Sen. Bob Dole of Kansas, a Republican presidential candidate, said on another television program that the chances of Mr. Hart's winning the nomination were slim.

The radio said border police shot an Arab protester who threw a fire bomb at their vehicle in the West Bank village of Qabatiya, 50 miles north of Jerusalem.

Israel's use of force to put down the disturbances has been widely condemned internationally. On Sunday, Brazil, India and Spain joined the criticism of Israel's handling of the unrest.

In Egypt, the only Arab nation to have signed a peace treaty with Israel, the Israeli ambassador was summoned Sunday to the Foreign Ministry, where a senior official delivered a formal protest against Israel's "oppressive" tactics.

Some Israeli officials have expressed concern that the unrest might seriously threaten Israel's relations with Egypt. But at the weekly cabinet meeting Sunday, Prime Minister Yitzhak Shamir rejected a proposal by Foreign Ministry officials to send a cabinet minister to

Pressure Cited in West Bank

Holiday Events May Be Curtailed In Bethlehem

Compiled by Our Staff From Dupatches

JERUSALEM — The mayor of Bethlehem, Elias Freij, said Sunday that he was under pressure to cancel some Christmas celebrations because of clashes between Israeli soldiers and Palestinians in the occupied territories.

Christian lay leaders and Christian youth groups have urged that Bethlehem celebrations be limited to prayer and religious services to protest against the Israeli actions. Eighteen Palestinians have been killed in the clashes.

"There have been certain elements who want me to cancel many Christmas activities," Mr. Freij said.

In the latest fighting, meanwhile, Israeli troops clashed Sunday with Arab youths who burned tires, barricaded major roads and hurled stones in the occupied West Bank and Gaza Strip. Arab reports said six Palestinians were wounded by gunfire. It was the 12th consecutive day of violence.

"The problem is, Israeli authorities are shooting at children and women," said Mr. Freij, who is considered a moderate among West Bank mayors. "If they think we are going to accept this with red roses then they are wrong. The Israeli must stop their repressive tactics."

In Bethlehem, slogans have been scrawled on walls calling for a boycott of traditional Christmas ceremonies, including the mayor's Christmas Eve reception for Israeli officials and foreign diplomats.

Mr. Freij said no decision had been reached, but he left open the possibility that unrest would force cancellation of such functions.

He added: "We will keep our Christmas celebrations according to protocol, according to our traditions, and I will never mix religion with politics." But, he said, "this is going to be a joyless Christmas."

The Arab-run Palestine Press Service said that four protesters were wounded, one seriously, in a West Bank clash with Israeli troops near Fara, 45 miles (70 kilometers) northeast of Jerusalem.

Israeli radio said an Israeli youth was injured in Ramallah when protesters throwing stones smashed the window of the car in which he was riding.

The radio said border police shot an Arab protester who threw a fire bomb at their vehicle in the West Bank village of Qabatiya, 50 miles north of Jerusalem.

Israel's use of force to put down the disturbances has been widely condemned internationally. On Sunday, Brazil, India and Spain joined the criticism of Israel's handling of the unrest.

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See ISRAEL, Page 6



No Repose for Kasparov

Garry Kasparov, the world chess champion, speaking Sunday after managing to retain his title. Mr. Kasparov won the 24th and final game of the championship match in Seville, Spain, over Anatoli Karpov. The champion assailed officials of the game's governing body. Page 6.

The Day That Gold Lost Its Magic

Neither Black Monday nor Feeble Dollar Made It Shine

By Reginald Dale
International Herald Tribune

"Christmas presents," said Jean-Claude Martini, with great enthusiasm, thumbing through a small pile of green and yellow paper slips in his tranquil trading room on Paris's rue Lafayette.

Mr. Martini, France's biggest gold dealer, was examining the morning's orders — green slips for buy

Press Freedom in Britain Is Being Eroded, Journalists Say

By Howell Raines
New York Times Service

LONDON — The Thatcher government's legal actions against newspapers and broadcasters have resulted in a significant erosion of freedom of the press in Britain in 1987, in the view of journalists, civil libertarians and the handful of politicians interested in the issue.

Throughout the year, the government pursued its efforts to inhibit publication of and news reporting about "Spycatcher," an account of misconduct in the British security services by Peter Wright, a former intelligence agent.

In less publicized cases, it has used the Police and Criminal Evidence Act to look for evidence in the news and photo libraries of newspapers, and it has turned to another restrictive statute to try to compel a financial reporter to serve as a police informant in an insider trading case.

These actions are among nine distinct areas of legal activity directed against the press that have been identified by the Press Council, an ombudsman group financed by the newspaper industry.

"With all these, Britain is sinking further into that league of nations where press freedom is barely understood, let alone protected," said Kenneth Morgan, director of the council.

Experts differ on whether the rash of litigation represents a coordinated government effort to bring the press to heel.

But they agree that the plight of the financial journalist, Jeremy Warner of The Independent, illustrates the fragility of press freedom in Britain and the vulnerability of journalists to government pressure.

Mr. Warner could become the first British journalist in 25 years to go to jail to protect a source of information if he continues refusing to tell police inspectors how he got information about purported insider trading by civil servants in the Department of Trade and Industry.

The slender man of 32, grandson

But Tabloids Thrive on Wings of Gossip

By Francis X. Clines
New York Times Service

LONDON — The cattiness of this year's Christmas wassail by the professional gossips of British journalism is becoming the subject of talk.

The gossip about the gossips is that not only did the Nigel Dempster faction of gossip columnists break away from their colleagues for a separate Christmas party last week, but it turned out that there was no mince-pie food fight among the participants.

This is an alarming break with tradition and an improvement in manners which, if unchecked, could spread into their reportage and ruin the ultimate bad thing of British letters, according to one practitioner.

This gossip columnist speculated that the revelers were muted by shock when Mr. Dempster, the six-day-a-week columnist of The Daily Mail, picked up everyone's lunch bill in a gesture designed to hold his claim as king of the gossips.

It is a drame worth the fight, for gossip is the coin of this realm, in the public prints as on the streets.

One Englishman, Prince Charles, learned this the hard way recently when he privately sought out a trusted, white-haired editor from the more respected nonabidist press to spill his heart out about the tortures of gossips.

The confidence went away when the editor wrote about it, gossip as any other Briton.

British gossip writers are the engines of reader circulation for the popular tabloid press, trailing the royal family like a happily vulgar cotterie of nattering retainers, while

of Rex Warner, the classics scholar, jokes that British boarding schools have prepared him for jail if it comes to that.

But on a more serious note, he and other journalists argue that the law, which is usually a protection for American journalists, is more often a trap for their British counterparts.

"I'm in an impossible situation, aren't I, really?" Mr. Warner said.

Having lost an appeal to the Law

supplying relief with the usual show business perennials:

Here an Englishman can discover that "The Gloved One," Michael Jackson, may be negotiating to co-star with his pet chimp, Bubbles, in a remake of "Bedtime for Bonzo."

They break exclusives on how the Princess of Wales gets her legs waxed, why that newly divorced, celebrated theater producer "shows no inclination to marry his mistress," and why Yorkshire's Countess of Harwood wants her cocktails to speak with an Australian accent.

Stuff and nonsense, you say? No, these disclosures mirror a far deeper truth among their readers, according to Dr. Nicholas Emmer, a social psychologist at Dundee University. He holds that, far from being trivial entertainment, real gossip is the stuff of perhaps 80 percent of a normal human being's conversational day.

All this is no laughing matter, although Dr. Emmer himself smiles as he works his thesis, with research shifts of 150 ordinary, garrulous people keeping precise diaries of how much they converse, with whom and why. They are mostly gossiping, discussing mainly themselves and their friends and office concerns, rarely art, glamour or the imbalance of trade.

"Gossip is all about repudiation," said the professor, stressing how important this is for healthy, hardly silly, human intercourse. "Poor Prince Charles can't engage in reputational repair work down at the pub with his mates, telling them the truth about the state of his marriage," rued Dr. Emmer. "Others never get to hear his side of the story."

Lords, the highest tribunal, Mr. Warner could face up to two years in prison or a fine or both under the Contempt of Court Act of 1981.

The statute says journalists can protect their sources unless their identification is "necessary" for national security or the administration of justice.

"I'm in an impossible situation, aren't I, really?" Mr. Warner said.

Having lost an appeal to the Law

Enough about the gossip-bedeviled prince. What about the rival columnist clique of Ross Benson, Mr. Dempster's competitor at The Daily Express, who have decided to counter the Dempster scribes and hold their own separate, breakaway Christmas party Monday?

According to the usual hyperbolic progress of a British newspaper story, this rival celebration enlarges a row into a controversy with unknown implications for the Crown, Fleet Street and the Thatcher government's continuing campaign to ban "Spycatcher."

In any case, gossip traditionalists are hoping that, since the columnists at the Benson party must pay their own \$50 luncheon check, they will drink more selfishly and have the traditional food fight.

"If you read our stuff you know we spend half our time telling the reader how worthless and lying our competitors are and the other half making up things," confessed a practitioner canny enough to be invited to both parties.

"Entertainment, not true information, is what gossip writing is about," said another toiler at the tattle, Peter McKay of the Evening Standard. "Readers say they want to read things which are 'true,' when the reality is they like nothing of the kind. They relish that special twist to things."

Mr. McKay and the other professionals have heard of this Dr. Emmer and his attempt to have gossip declared serious and healthy.

"Next thing you know they'll have time-and-motion experts coming in here to try and see what we do," Mr. McKay said, vowing to defend the vapidness of gossip like life itself.

"Either I disclose my sources and do the profession a great deal of harm or I've got to accept the consequences of not disclosing."

"I've got to take the consequences if I'm going to stay in this profession or even maintain my personal integrity," Mr. Warner added.

A remarkable feature of the

Warner and "Spycatcher" cases is

the lack of public outcry or political opposition.

"Where are the libertarians when they are needed?" asked The Guardian, a liberal paper, that, like The Independent and The Observer, has been enjoined from publishing details of Mr. Wright's allegations that rogue intelligence agents burglarized foreign embassies here and talked of overthrowing Harold

Wilson, the Labor Prime Minister.

"It tells us something peculiarly grim about Britain today that Mr. Warner's case can drop so silently into a still pool of civic indifference," The Guardian said.

But a number of experts said the reaction, or lack of it, is typically British.

"It goes absolutely to the psychological difference between the American public and the British public," said Lord Scarman, a prominent campaigner for adoption of a written bill of rights to safeguard freedoms that are not specifically protected under British law.

"I think the British public don't take very seriously the current litigation between the government and the newspapers on freedom of the press," Lord Scarman said.

"They certainly don't grant the press the sort of position in the organization of state that the United States does," he said. "If they were going to have an unbridled parliament or an unbridled press, they'd prefer to have an unbridled parliament, thank you."

Whereas the First Amendment served as a roadblock to attempts by Congress or the courts to curb the American press, Lord Scarman said, Britain has no written constitution defining basic rights and restraining the government's power to interfere.

In addition, the 1689 Act of Settlement guarantees "Parliamentary sovereignty." This means that the government can lose a case in the courts and, if it has the votes in Parliament, immediately pass a new law to regain what it has lost.

"It is not insignificant that constitutionally speaking we're subjects here and you're citizens in the United States," said Andreas Whittem Smith, editor of The Independent.

"Then you have a particularly self-confident, aggressive and even arrogant prime minister who has very many virtues," he said, "but in this case has become mightily obsessed with the confidentiality of security issues."

The transfer in space is part of the Soviet plan to man the Mir continuously, according to program officials.

One of the cosmonauts aboard the Mir, Yuri Romanenko, set a record for space travel in October after having been launched on Feb. 6. He passed his 316th day in space Sunday. His companion, Alexander Alexandrov, joined him in the Mir several months later.

WORLD BRIEFS

Ershad, Seeking Talks, Frees 6 Foes

DHAKA, Bangladesh (Reuters) — Bangladeshi freed six more political detainees Sunday in a continuing attempt to foster negotiations with the opposition, which is trying to force the country's president, Lieutenant General Hussain Mohammed Ershad, from office.

The official Bangladesh News Agency said that those released belonged to the fundamentalist Jamiat-e-Islami, the Bangladesh Communist Party and the rightist Bangladesh Nationalist Party. It gave no other details. However, Interior Ministry officials said that the releases were part of the government plan to mollify General Ershad's opponents.

The opposition, meanwhile, called general strikes for Tuesday and Wednesday to put further pressure on General Ershad. The campaign against him began in November, has posed the biggest challenge to General Ershad's government since he took power in a bloodless military coup in 1982. Those released Sunday were among about 5,000 arrested since the protests calling for his resignation began. About 500 of those who were arrested have now been freed.

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Relatives Barred From Cypriot Burial

NICOSIA (AP) — UN peacekeeping troops and Turkish Cypriots prevented relatives Sunday from accompanying the body of a prominent Greek Cypriot author for burial in his birthplace in the Turkish-occupied part of the island.

The body of Yannis Savvatos Economides, who died last week at 94, was allowed to travel unescorted in the back of a white-painted van of the UN force for burial in the village of Rizokarpaso, his birthplace, 61 miles (100 kilometers) northeast of the capital.

But Canadian troops prevented Mr. Economides' two sons, two brothers and another relative from reaching the Turkish Cypriot checkpoint.

"The Turks refused to allow us to escort our father's coffin unless we first signed a form declaring obedience and recognition of their breakaway state," a son said, "and the UN soldiers stopped us from asking them to relent."

Soviet Union to Replace Crew on Mir

MOSCOW (LAT) — A replacement crew for the orbiting Soviet laboratory Mir will be launched Monday from the cosmodrome at Baikonur, Tass reported Sunday.

The transfer in space is part of the Soviet plan to man the Mir continuously, according to program officials.

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For the Record

Workers at the Bank of France in Paris ended 18 days of occupation Saturday following a draft agreement between strikers and management union and bank officials said. The strike, over pay, job conditions and security, closed the mint, and raised concern about how much cash the French would have for Christmas shopping.

The Soviet Union set off an underground nuclear explosion Sunday at the Semipalatinsk test range on the steppes of Central Asia, Tass reported. The blast was at least the 21st test this year.

TRAVEL UPDATE

U.S. Airlines Face Security Deadline

WASHINGTON (AP) — U.S. airlines faced a Monday deadline to change airport security after the government ordered all airline and airport employees, even those in uniform, to pass through security gates. The deadline comes two weeks after a former USAir employee apparently smuggled a gun aboard a Pacific Southwest Airlines jet and began firing during flight, resulting in a crash that killed the 43 people aboard.

Congressional investigators, meanwhile, reported that a survey of six major airports found security violations. The investigation did not identify the airports, but other sources said they were Los Angeles International, Miami International, Atlanta Hartsfield, John F. Kennedy in New York, Washington National and O'Hare in Chicago.

The Detroit Free Press, quoting congressional sources, reported that the aviation agency had issued warning letters to at least eight airlines, including Pacific Southwest, since Oct. 1 for security lapses at the Los Angeles airport, and was considering a civil fine against Trans World Airlines because of security problems at the airport.

South Korean staff of Northwest Airlines in Seoul have ended a 14-week strike, but the airline did not immediately announce when it would resume flights. The airline, which had operated 38 flights a week in and out of Seoul, suspended flights after employees occupied check-ins at the Seoul airport Sept. 9.

Egypt has waived visa requirements for nationals of nine Arab states that recently restored diplomatic relations with Cairo, an official said Sunday. They are Saudi Arabia, Kuwait, Bahrain, the United Arab Emirates, Qatar, Iraq, North Yemen, Morocco and Mauritania.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

TUESDAY: Malawi.

THURSDAY: Andorra, Austria, Belarus, Belize, Bermuda, Botswana, Finland, France, Guatemala, Iceland, Italy, Ivory Coast, Liechtenstein, Luxembourg, Macao, Madagascar, Mexico, Monaco, Norway, Portugal, San Marino, Sweden, Switzerland, Vatican City, West Germany.

FRIDAY: all countries except Afghanistan, Albania, Algeria, Bahrain, Brazil, Bulgaria, Chile, Egypt, Ethiopia, Iran, Iraq, Israel, Japan, Kuwait, Libya, Mongolia, Morocco, Nepal, North Yemen, Oman, Qatar, Romania, Saudi Arabia, Somalia, South Yemen, Thailand, Tunisia, Turkey, United Arab Emirates, Yugoslavia.

SATURDAY: Andorra, Austria, Belarus, Bulgaria, Cambodia, Chile, Cyprus, Czechoslovakia, Denmark, East Germany, Fiji, Finland, Greece, Hungary, Iceland, Ireland, Italy, Jamaica, Kenya, Libya, Liechtenstein, Luxembourg, Macao, Malawi, Namibia, Netherlands, New Zealand, Nigeria, Norway, Papua New Guinea, Poland, San Marino, Sierra Leone, South Africa, Suriname, Switzerland, Sweden, Uganda, Vatican City, West Germany, Zimbabwe.

Source: Morgan Guaranty Trust Co., Reuters.

DOONESBURY

MAYBE YOU IT'S SIMPLE, MY BOY. BETTER THE LORDS CANNOT BRING ME UP TO OUTRIGHT, BUT WE SPEED, I DARE SAY!

IN ITS CURRENT FORM, THATCHER'S TAX RATE BILL IS AN ABOMINATION. ONCE AGAIN, SHE IS TRYING TO LINE THE POCKETS OF THE DUE RICH AT THE EXPENSE OF THE POOR!

OH.

BUT AREN'T WE THE IDLE RICH?

QUIT! BUT HAVEN'T YOU EVER BETRAYED YOUR CLASS? IT'S ENORMOUS GOOD FUN!

BY GENE SISKEL

AMERICAN TOPICS

The Harsh Frontier Lives On, So They Say

The American frontier lives on, some experts say, defining it as an area having fewer than six people per square mile (2.5 square kilometers). Whole countries that are this sparsely populated cover most of the western half of the country.

Frank J. Popper, head of urban studies at Rutgers University in New Jersey, says that in these frontier regions, risk-taking and individualism are prized, even though the state and federal governments are often the biggest landowners and biggest employers.

The frontier "is not as big as it was," Mr. Popper told The New York Times, but frequently it is "just as macho and hell-raising."

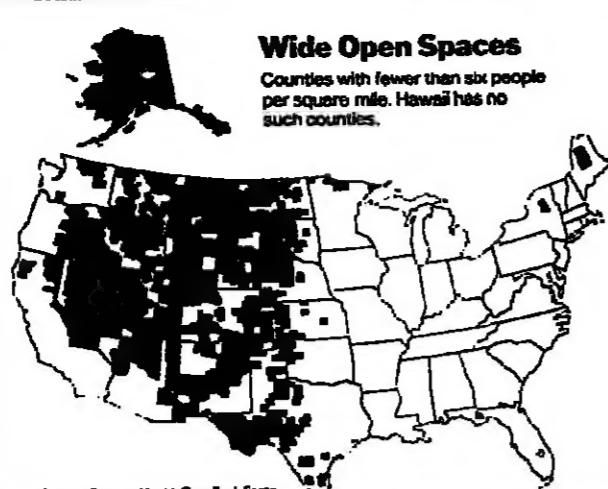
Typically, counties meeting the frontier definition have higher death rates among their white populations than high-crime cities show for urban blacks. "The rural areas of the West, rather than the American urban ghetto, is where youth is far more likely to suffer violent death," Dr. Popper said.

The reasons: individualism; dangerous occupations like mining, forestry and oil drilling; and the high rate of fatal car accidents, reflecting widespread drinking, dangerous roads and lack of emergency medical care.

Short Takes

A mock court in San Francisco ruled that chicken soup deserves its reputation as "Jewish penicillin" despite rival claims that Greeks, Italians and Chinese also use it in times of illness. The "Court of Historical Review" heard testimony, among others, from Joel Brooks of the American Jewish Congress, who noted that Moses Maimonides, the 12th-century Jewish physician and philosopher, said chicken soup was "very good for you, but bad for the chicken." The court then adjourned to the hallway where everyone was treated to chicken soup from a Chinese restaurant.

The United States had the lowest voter turnout rate, 53.58 percent in presidential elections,



Source: Frontier Health Care Task Force

among 28 democratic countries from 1969 to 1986, according to a Library of Congress study requested by Representative Mario Biaggi, Democrat of New Haven. He has been pressing for New York voting and for allowing citizens to register and vote on the same day.

The real Uncle Tom's cabin is now the wing of a house in that part of the Washington suburb of Rockville, Maryland, that was once the plantation where Josiah Henson, the main inspiration for Harriet Beecher Stowe's novel, spent 30 years as a slave. He later escaped to Canada and became a Methodist preacher, author, lecturer and businessman. The sturdy cabin survived subdivision and development and now serves Marcel Mallet-Prevost, a lawyer, and his wife, Hildegarde, as a den. There are no plaques or tour buses. Said Mrs. Mallet-Prevost, "I don't want tour groups traipsing through the house thinking, 'When did she wash those curtains last?'"

Notes About People

Charles Schulz, the "Peanuts" cartoonist, made \$25 million last year from his comic strip and the licensing agreements that have grown from it, Forbes magazine



INTERNATIONAL HERALD TRIBUNE, MONDAY, DECEMBER 21, 1987

China to Cut Textile Sales To the U.S.

By Stuart Auerbach
Washington Post Service

WASHINGTON — The American textile and apparel industry has criticized as insufficient an agreement with China to reduce greatly the rapid growth of its textile shipments to the United States.

This year, China became the leading foreign supplier of fabric and clothing to the United States.

The agreement, reached here early Saturday after six rounds of negotiations that started in February, will limit the growth of Chinese sales of textiles to the United States to about 3 percent a year for the next four years.

That is a sharp cutback from the average growth of 45 percent a year it has maintained over the past seven years. This year, Chinese textile imports are growing at a 19-percent rate, and they climbed 63 percent in 1986.

"Since China is our largest supplier of textile and apparel in volume terms," said Clinton K. Yeutter, the U.S. trade representative, "this is another significant step in controlling textile and apparel imports into the United States."

But the textile and apparel industry, which is pressing Congress to pass a quota bill, attacked the agreement as too liberal.

"This means that China will continue to take an ever larger share of our markets and U.S. workers will continue to lose jobs to the Chinese," said Robert G. Laclaw, president of the American Textile Manufacturers Institute.

He said the growth of China's textile imports to the United States

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INTERNATIONAL HERALD TRIBUNE

Published With The New York Times and The Washington Post

Good Work in Italy

Courage and stamina are qualities that can win great rewards in government. For Italy's government, they have won a historic triumph over the Mafia. The trial in Palermo of 452 defendants, begun 22 months ago, has ended with the conviction of three-fourths of them and verdicts that include, for 19, life sentences. It would be naive to say that the Mafia has been permanently crippled, but much of its leadership is apparently among those convicted.

All of the judges, prosecutors, jurors and police who took part in this enormously complex proceeding did so at great personal risk. By the late 1970s, Mafia murders were in the range of 500 a year, and political rank was no protection. In 1980 the president of the Sicilian regional government was assassinated for trying to interfere with construction racketeering. Two years later the head of the Sicilian Communist Party was similarly shot down. The government then sent to Sicily the Carabinieri general who had run the successful battle against the terrorist Red Brigades, and four months after his arrival, while he was driving through the center of Palermo, he and his wife were shot dead.

Until then the Italian government had

never taken any very forceful action against the Mafia. Ever since the Fascist experience, Italians have preferred to keep their police organizations weak. Cynics also observed that the Mafia had many votes as well as much money. But the murder of the general finally brought a reaction. The government gave the police wider investigative powers, and prosecutors began to move as they had never done before. Three years ago, for the first time, a Mafia chieftain under arrest turned state's evidence. Last week's verdicts were the result.

Italy's struggles with political terrorism in the 1970s attracted enormous attention, and deservedly. But the Red Brigades at their height were never the threat to the integrity of the Italian government, and to the basic decency of Italian life, that the Mafia had become. These verdicts are an important blow against the worldwide traffic in drugs and will have direct benefits to the United States. More important, Italy has begun to bring to justice a criminal conspiracy swollen to a degree of wealth and arrogance that seemed for a time to challenge the state itself for control of parts of the country.

—THE WASHINGTON POST.

Who Thinks of Gaza?

"If you prick us, do we not bleed?" The Palestinians of the Gaza Strip can ask this of the world, much as Shakespeare's Shylock demanded of his tormentors.

Neither Egypt nor Jordan wants these Palestinians more than 500,000 of them. Neither Saudi Arabia nor Kuwait nor other oil-rich states will help them. And so, in the last few years, the Palestinians of Gaza have become solely the problem of Israel. And Israel offers neither solution nor policy, only strict control. Arab leaders watch Israel's predicament with a kind of glee.

Tragically, no one has an answer for this 30-by-6-mile (48-by-10-kilometer) camp inhabited mostly by refugees who live in desperate poverty, without economic or political hope. To protest their fate, they declared a general strike last week. Soldiers moved in to maintain order. People were killed on both sides in the worst outbreak of violence since Israeli occupation began in 1967. The riots have spread to East Jerusalem as well.

—THE NEW YORK TIMES.

No Way to Govern

Congress is about to send the president one gigantic, take-it-or-leave-it appropriations bill for fiscal 1988. It is bad enough that the bill is not even arriving until the fiscal year is almost three months gone. Worse, it is loaded with trivia, fakery and irrelevant controversy, and forces on President Reagan a \$600 billion choice: He must accept every detail of this bill, or if he wants to block a single one, must veto the whole thing. It's a crazy way to govern.

Normally there are 13 annual appropriations bills, approved separately, which the president can pass on one by one before the fiscal year starts each Oct. 1. Because Congress has developed bad habits, this omnibus measure lumps them all together.

The trouble began with the "continuing resolution," invented some years ago as a convenient device to allow more time to work on one or two unfinished bills beyond the fiscal year deadline. As years passed, more bills got stalled, and the omnibus bill was born. An all-or-nothing package became a device to insulate programs that would surely be vetoed if they stood alone.

Last year all 13 bills were welded together for the first time. This year Congress has compounded its recklessness by rushing two omnibus money bills to completion at the last minute. In addition to the \$600 billion appropriations measure, it is offering a companion "reconciliation" bill that covers federal revenues and programs that do not get annual appropriations, like Medicare.

As soon as they dump both measures on Mr. Reagan's desk, the lawmakers will hurry

home for Christmas. If a veto shortens their holiday, they asked for it. The president could well reject the whole bill because of one extraneous amendment, like one to incorporate the broadcast "fairness doctrine" into statute, an idea he has already vetoed.

Congress is not entirely to blame. Year after year, the president has sent up confrontational budgets and then refused to compromise. Not until last month was there even a rough outline of mutually acceptable spending cuts and revenue increases for fiscal 1988.

Republicans have done the most obstructing in Congress this year, but a Republican senator, Dan Evans of Washington, deserves credit for trying to save the Senate from it. He proposed that the omnibus bill be divided into its 13 component parts by the conference committee. He lost, 51-44, but it is mildly encouraging that so many senators voted for sensible reform.

In the end, no procedure can make the members of Congress behave responsibly. They have shown that they can outmaneuver any rules they write to keep themselves honest. Nor is there any salvation in giving the president authority to veto items line by line. That would only increase his already formidable power to twist arms.

As long as the White House and Congress are controlled by different parties, there may be no remedy. Neither party will cede power over the purse to the other. But if there is any doubt that an answer is needed, just listen for the clump when this year's omnibus bill hits the president's desk.

—THE NEW YORK TIMES.

Keep Paying, for Now

Congress should vote enough aid to keep the contras going for now. To squeeze out the contras at this point, while they are still a presence affecting the bargaining, would be self-defeating. This requires a little give on all sides. When Nicaraguans of opposing persuasions are being called upon to make huge concessions, it is self-indulgent for Americans not to make small ones. We have especially in mind House Democrats who want to budge the token bridge aid now under discussion with arbitrary restrictions on its use. That is unhelpful posturing. The Reagan administration is flexible by comparison.

Events are building toward a political climax of sorts in January, when the leaders of Central America are to decide whether the peace plan is working and should be sustained or whether it is failing and must be abandoned. Few people expect the latter verdict. Not only are the implications of deepening and spreading war, too frightening for most Latinos to contemplate. The actual state of observance is going to be mixed. The choice in January is not going to be a stark up or down. The question will be whether to keep up energy toward a settlement or to relapse into a condition of sloth.

—THE WASHINGTON POST.

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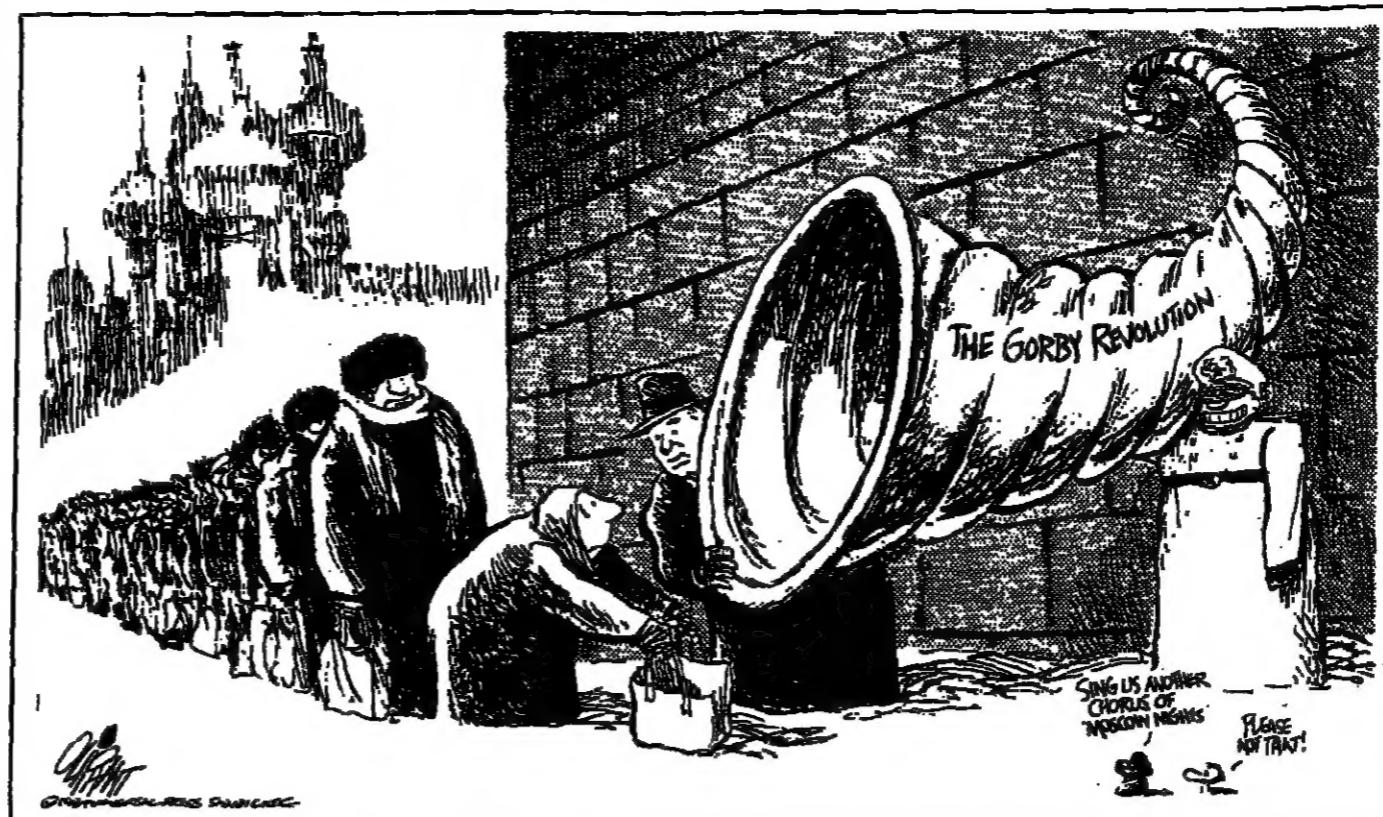
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OPINION



East-West Comity Takes More Than Arms Control

By Ton Frinkking

The writer, defense spokesman for the Christian Democratic Appeal party in the Netherlands, is president of the North Atlantic Assembly.

The Hague — Mikhail Gorbachev's book "Perestroika" is a holiday best seller in Europe. His declared goal is one which all people share: to move "from suspicion and hostility to confidence, from a 'balance of fear' to a balance of reason and good will, from narrow nationalism to cooperation."

But it is important to get the facts straight. Mr. Gorbachev engages in some historical restructuring that cannot be allowed to go unanswered.

There are many assertions in the volume that we could argue about, but an egregious example appears in the chapter on relations with Western Europe: "The political division of Europe was started by those who brought about the disintegration of the anti-Hitler coalition, launched the Cold War against the socialist countries and set up the NATO bloc as an instrument of military-political confrontation in Europe."

NATO is an invention born of necessity. Within a year of the conclusion of World War II, the United States, Canada, and the United Kingdom had demobilized their forces from their 1945 collective total of 4.7 million troops to 900,000. But Soviet forces remained on a wartime footing — roughly 6 million troops. Why did the USSR maintain that posture when the United Nations Charter, signed on June 26, 1945, promised to usher in a new era of peace? And why, for that matter, does Warsaw Pact today maintain such a large preponderance of conventional, chemical and nuclear forces far beyond that required for purely defensive needs?

The answer, then as now, is the Soviet aim of hegemony in Europe. During the war, Stalin expanded Soviet borders to cover an additional 470,000 square kilometers of European territory and 23 million people. By

ture Tasks of the Alliance." We must strive for further and complementary progress in strategic nuclear, chemical and conventional arms control.

But the goal, as the Harmel report stated, is "a just and lasting peaceful order in Europe accompanied by appropriate security guarantees," and an end to "the unnatural barriers between Eastern and Western Europe."

There should be no doubt as to why two Europe have evolved despite our efforts to narrow these differences — a free and prosperous West on the one hand, and a constellation of police states facing potentially massive political and economic crisis on the other.

Unlike his predecessor, Mr. Gorbachev has given encouraging and tangible indications of a real desire for a relaxation of tensions, including greater freedom of maneuver for the East European regimes. We can only wait and see what he does to proceed with the principles of democracy, individual liberty and the rule of law.

Today an alliance of 16 countries endures as a testament to the resolve of free nations to resist the threat or use of force against their territorial integrity and political independence.

We have witnessed in the historic Washington INF treaty some of the fruits of NATO's twin-track policy of defense and dialogue, as laid down in the 1967 Harmel report on "The Fu-

ture Tasks of the Alliance."

True common security must encourage respect for basic freedoms, free movement of peoples and ideas, self-determination, the rule of law and noninterference in internal affairs.

Such steps, although they cannot be expected overnight, are a prerequisite for normalization of relations. International comity with totalitarian regimes is illusory in the long run.

International Herald Tribune

All This American Unemployment Isn't Natural

By Frederick C. Thayer

They are doing precisely what the policy asks of them: not working. Intentional job shortages are the obvious cause of the "welfare problem."

Many politicians promise welfare solutions ("Make them work!" "Train them!"), but this is pretense. Problem-solvers in the administration, Congress, a governor's mansion or the presidential campaign would be embarrassed today to demand large-scale creation of jobs and an end to the unemployment policy.

In that quarter century, average annual jobless rates have moved steadily upward from 4 to 7 percent, which is now considered to be normal. America has had that rate in 10 of the last 12 years.

Despite such tacit labels as "natural," these high rates have been quite abnormal for at least a century. Except for the great depressions of the 1930s and 1940s, only in 1908, 1914-1915 and 1921 did unemployment rates match those we have seen in the late 1970s and the 1980s.

Discounting some recent improvement, which may be short-lived, America is having its third-worst jobless period in 100 years.

Eventually, tough questions must be asked of a policy that keeps 7 or 8 million people out of work — plus 25 million others who have given up seeking jobs or are working part-time.

The jobless are not to blame for their plight.

Historians, along with Presidents Herbert Hoover and Franklin D. Roosevelt, have cited as the recurring cause of great depressions excessive competition leading to oversupply. Yet what do economists prescribe most commonly for America's industrial ills? Less "consumption," which means lower wages and cuts in Social Security benefits, and investment in more capacity, which means higher fees for the investment banks that finance that capacity.

The answer to the "welfare problem" is at least 10 million stable jobs, but that is only one way to create them: infrastructure (public works, environment, education, transportation) badly needs attention. Why not replace bridges and clean up the environment before disasters occur?

The need is for much more public spending, not less. The problem of global oversupply demands some form of multinational planning, and even price and wage controls are preferable to the chronic mass unemployment that is now the low-level undermining of economic policy.

The writer is professor of public and international affairs at the University of Pittsburgh. He contributed this comment to The New York Times.

More Than Unrest in Gaza, and No Solution in Sight

By Hirsh Goodman

odds not only with the Arab world but with itself, tangled as ever in internecine strife and diplomatic intrigue.

No wonder the frustration in Jenin, Tulkarm, East Jerusalem and Gaza, and the most that in this environment the slightest spark becomes a flashpoint for battles between young Palestinians with nothing to lose and the Israeli army, which is having an increasingly difficult time dealing with the new phenomenon. Each casualty creates a new martyr, yet another reason for a snowball of violence.

Columnists were quick to interpret events as the dawning of a new age in Israel's relations with the 1.2 million Palestinians in the areas it has occupied since 1967. This was more than civil unrest, they claimed; it was the beginning of a civil rebellion.

Finally, the United States has to do what it can most usefully do to hold the Sandinists to their pledges of a political opening. The U.S. political system is in fact doing this in its rough fashion: keeping open the twin possibilities of toughness if Managua cheats and cooperation if it plays fair.

Events are building toward a political climax of sorts in January, when the leaders of Central America are to decide whether the peace plan is working and should be sustained or whether it is failing and must be abandoned. Few people expect the latter verdict.

Not only are the implications of deepening and spreading war, too frightening for most Latinos to contemplate. The actual state of observance is going to be mixed. The choice in January is not going to be a stark up or down. The question will be whether to keep up energy toward a settlement or to relapse into a condition of sloth.

staunch supporters of Likud. Moreover, immigration trends are bolstering the Israeli right. Of the immigrants who came to Israel from the United States last year, for example, 78 percent were Orthodox and 54 percent settled on the West Bank.

So while the world reacts to last week's events and the communists ponder whether Israel faces civil rebellion or not, the reality of the matter is that things will probably get a lot worse before they get better. Unless, of course, the unlikely happens and some leader has the foresight to lead Israel back to peace in the promised land.

The writer is defense correspondent for the *Jerusalem Post*. He contributed this comment to the *Los Angeles Times*.

100, 75 AND 50 YEARS AGO

1837: War Inevitable

PARIS — [The Herald says:] War between Russia and Austria is felt to be inevitable, but it may not take place for months, or even years. Both are steadily augmenting their forces. Austria, if she is wise, will never attempt to make an obstinate defense of Galicia, but will adopt a Fabian policy. The Austrians will delay the Russian advance by retreating slowly, destroying roads and bridges, and make the real struggle in the narrow valleys of the Carpathians.

Frustration is not only to be found on the Arab side of the Green Line.

What makes the situation even more depressing for the many Israelis who would like to see a political settlement is that they, too, can see no solution — only a political vacuum inflamed by the type of violence witnessed this past week, which ultimately can serve only to create more fanaticism on both sides.

While rocks have replaced dialogue, the situation is changing, too. Political trends, perhaps not unrelated to the violence we live with, are becoming more nationalistic, the population more religious; 55 percent of Israel's people come from a Sephardic, or southern European background, traditionally

Democrats, It's Time To Wake Up

By James Reston

WASHINGTON — The only possible explanation of the Democrats' campaign for the presidency is that somehow it is being run by the Republicans.

They have made every mistake in the book except bringing back Ted Kennedy. Their best men won't run and their worst won't quit. It would be funny if it weren't so serious.

There is a party that has lost four of the last five presidential elections. It had a good chance of winning in 1988 against a party that has presided over the most alarming budget and trade deficits in the history of the republic, but what does it do? It fields a team that has not impressed the voters but affronted them with a series of personal monstrosities that have overshadowed the political issues.

Gary Hart is making a laughing stock of his party. He treats his wife as a personal convenience. By returning to the race, he kicked off what was down and proved for the second time that

Congress Reaches Pact With White House on 'Nonlethal' Contra Aid

By Tom Kenworthy and Anne Swardson
Washington Post Service

WASHINGTON — Congress, and the Reagan administration, in a compromise that may end a stalemate on the budget, reached a tentative agreement early Sunday on providing \$8 million in short-term "nonlethal aid" to the Nicaraguan rebels, according to officials.

The tentative accord paved the way for passage of a spending bill needed to fund most federal agencies for the next nine months. Its adoption would avert a government shutdown Monday.

The House and Senate began meeting in an unusual Sunday session to pass a one-day, stopgap spending measure that would keep the government operating until they vote on the bill.

Several provisions of the measure, which calls for spending of \$600 billion in the rest of the 1988 fiscal year, remain unresolved. However, the agreement that was apparently reached on aid to the rebels, known as contra, would remove the largest stumbling block.

The spending bill is one of two packages that together would reduce the 1988 federal deficit by \$30.2 billion, as congressional leaders and the administration agreed in November.

Little progress was evident on several issues in the other bill, a \$24 billion "reconciliation" package of tax increases, asset sales and cuts in spending for programs such as farm credit and Medicare, the health insurance program for elderly and disabled Americans.

Although House and Senate negotiators settled late Thursday on a \$9 billion tax increase bill aimed at corporations and wealthy individuals who made less than headway on spending cuts.

Negotiators said a final agreement on the contra aid package

would be subject to review by President Ronald Reagan and congressional leaders.

"We believe we've reached an agreement in principle subject to looking at it on paper," said Senator Warren B. Rudman, Republican of New Hampshire.

Although the government technically ran out of money at 12:01 A.M. Sunday, the impact was negligible since most government offices were closed.

The new contra aid would be included in a \$600 billion catchall spending bill to fund most government operations for nine months.

Jim Wright, the Democrat of Texas who is speaker of the House, said the tentative deal would provide the contras with \$8.1 million in nonlethal aid and the transportation funds to get it to Nicaragua.

Under the tentative agreement, previously authorized military aid could be commingled with the new humanitarian aid for the first 12 days of 1988. During the following week, when Central American presidents are to meet on the regional peace process, no military shipments would be permitted.

Following that period, according to Mr. Wright, if Mr. Reagan finds that a cease-fire is not in effect because of the Nicaraguan government's lack of good faith, the military and nonlethal aid could again be joined until Feb. 4. Congress then would vote on whether to continue mixed deliveries of aid.

The government has functioned since Oct. 1, the beginning of the fiscal year, under a series of stopgap funding measures.

Earlier, House Democrats backed off their position that previously authorized military assistance could not be commingled with the nonlethal aid, which is limited to food, shelter, clothing and medical supplies. Under current law, military aid must cease by Dec. 31.



Benazir Bhutto with her husband, Asif Ali Zardari, at their wedding.

Vote Is Seen as Bhutto Setback

Pakistanis Also Seem to Confer Legitimacy on Junejo

By Steven R. Weisman
New York Times Service

KARACHI, Pakistan — The success of Prime Minister Mohammed Khan Junejo's party in local elections is widely seen as an important step in his quest for political legitimacy.

The voting last month also dealt a serious setback to the opposition drive of Benazir Bhutto, the popular daughter of former Prime Minister Zulfikar Ali Bhutto. Miss Bhutto's marriage Friday drew more than 100,000 exuberant supporters here.

In the Nov. 30 elections, Pakistanis chose candidates to fill 70,000 positions in local governments throughout the country. Although few of those running had regional reputations, and there were no major issues at stake, the

balloting was watched for clues to public sentiment.

Officially, the candidates ran without party affiliations. But the major political parties used their organizations to back them.

The voting thus marked the first significant test of party strength since President Mohammed Zia ul-Haq eased martial law and allowed political parties at the end of 1985.

Mr. Junejo said Pakistanis gave his government a vote of confidence, showing that they were no longer "duped with catchy slogans" of the opposition.

He promised that elections for Parliament would take place on schedule in 1990 and that political parties would be allowed to run candidates.

Miss Bhutto's political organization, the Pakistan People's Party, had hoped to demonstrate that it could translate her popular appeal into votes.

Instead, her party was badly defeated in Punjab, Pakistan's most populous province, and achieved mixed results at best in her home province, Sind.

Her organization, which was built by her father, did better in the North-West Frontier Province.

But to the surprise of many analysts, Mr. Junejo's relatively new organization, the Pakistan Muslim League, won most seats in the Punjab, and predicted that it would end as allies with the victors in many other areas.

General Zia, who took power after overthrowing Mr. Bhutto in 1977, generally continues to be seen as the dominant political figure in Pakistan.

But Mr. Junejo has worked hard to establish an independent reputation and, in some cases, has moved away from his patron. For example, he recently ousted a Pakistani long-time foreign minister, Sabahzada Yaqub Khan, a close associate of General Zia.

Meanwhile, Mr. Junejo reconstituted the old Pakistan Muslim League, an organization that fought for Pakistan's independence in 1947 but that had deteriorated into squabbling factions in recent years.

The party drew strength from business people, professionals, landholders, some clergymen and other powerful interests fearful of Miss Bhutto and other opposition leaders.

Miss Bhutto said the voting was rigged, but an aide declared, "We suffered a very serious organization failure."

He said the Moslem League had succeeded beyond anyone's expectations in galvanizing support, especially among young, middle-class Pakistanis eager to change their styles, eventually moving opposition politics away from its preoccupation with factionalism and personal loyalty.

Such a change is not likely until it becomes clear that Mr. Roh and his party are serious about his promise to democratize the nation.

In the past, the party harassed the opposition until taking to the streets was its only option.

The party drew strength from business people, professionals, landholders, some clergymen and other powerful interests fearful of Miss Bhutto and other opposition leaders.

Miss Bhutto's wedding brought a flood of emotions for those around the 34-year-old opposition leader. Miss Bhutto's father was executed in 1979 by the man Miss Bhutto seeks to succeed, General Zia.

Among the sentiments was relief for Miss Bhutto's mother, who negotiated her daughter's marriage last summer, along with a nagging uncertainty among many over whether her new status would help or hinder her political movement.

Politicians said that while a conservative Moslem society like Pakistan would expect a young woman like Miss Bhutto to marry, much of

the sentiment was relief for Miss Bhutto's mother.

She got heating, said Irving Mintzer of the World Resources Institute. "So you get continuing cold that contributes to the formation of stratospheric clouds and may increase ozone depletion."

Scientists think that the delayed warming is related to a phenomenon first reported by British researchers in 1985 and now known as the ozone hole.

Antarctica's Late Thaw Called 'Ominous Trend'

By Cass Peterson
Washington Post Service

WASHINGTON — The frigid air over Antarctica took three weeks longer than usual to warm at the onset of the Antarctic spring this year, prompting concern by some scientists that the "ozone hole" discovered over the continent less than three years ago may be affecting global climate.

According to satellite data from the National Aeronautics and Space Administration, the polar vortex — a whirlpool-like mass of extremely cold air that forms over Antarctica in the dark winter months — broke up in late November. The vortex normally breaks up in late October or early November when spring brings sunlight back to the South Pole and warms the atmosphere.

"This is the latest that it has failed to break up," said Robert Watson, a NASA atmospheric scientist. "It may be what you would expect because there is so little ozone there. What one has to consider are the ramifications."

F. Sherwood Rowland, a University of California scientist and a leading expert in ozone depletion, said the event "could be the first indication of major climatic change. There is no way of judging the impact, but it is an ominous trend."

Other researchers said that it is not certain whether stratospheric temperatures over Antarctica could affect weather patterns.

"I don't think it makes a difference in the troposphere [the atmospheric level closest to the Earth]," said Mark Schoeberl, a NASA scientist. "It means that temperatures in the polar region are still anomalously cold relative to previous years."

Scientists think that the delayed warming is related to a phenomenon first reported by British researchers in 1985 and now known as the ozone hole:

During each Antarctic winter, ozone levels drop drastically before rising to normal again in the spring.

The discovery caused alarm because ozone protects the Earth and its inhabitants from most of the sun's most damaging ultraviolet rays, which can cause cataracts and immunosystem problems.

Although the phenomenon is not understood fully, recent research tends to buttress theories that the ozone is being destroyed by chlorine molecules from a class of chemicals called chlorofluorocarbons. The process is believed to be aided by Antarctica's unusual atmospheric conditions, including the polar vortex, which traps chlorine molecules and spawns icy stratospheric clouds that enhance chemical reactions.

When the polar vortex breaks up in the spring, ozone levels over Antarctica rise and the hole disappears. Some ozone comes from air moving into Antarctica from other parts of the globe, and some comes from natural reformation of ozone when sunlight strikes the stratosphere.

Scientists theorize that the vortex held on longer this spring because of the magnitude of ozone loss in winter. A research expedition this year found ozone levels down more than 60 percent.

Ozone absorbs radiation and helps heat the atmosphere. Some scientists say the lack of ozone over Antarctica may have slowed the heating necessary to break up the polar vortex.

"If ozone doesn't reform, you get no heating," said Irving Mintzer of the World Resources Institute. "So you get continuing cold that contributes to the formation of stratospheric clouds and may increase ozone depletion."

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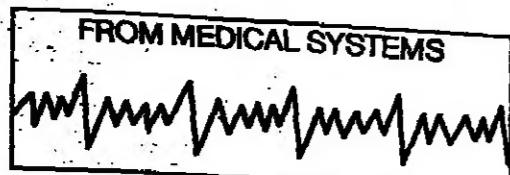
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Champions
rency



MONDAY, DECEMBER 21, 1987

EUROBONDS

At This Rate, Profits Won't Be Home for Christmas

By CARL GEWIRTZ

International Herald Tribune

PARIS — The traditional heavy year-end commercial demand for dollars, which normally would give some lift to the exchange rate, is taking an unusual — and unhelpful — form this year. Dealers report that instead of buying dollars to repatriate profits or dividends to American parent companies, treasurers of U.S. multinationals are borrowing the cash, expecting to make the conversion later at a more profitable exchange rate.

For some treasurers, the waiting game is quite profitable. Companies with sterling or francs to sell can put that cash out on overnight deposit earning more than 8 percent, while the cost of borrowing overnight dollars is 6 percent.

Treasurers in West Germany don't have it quite so easy. They earn less than 3 percent on their Deutsche mark deposits and still pay 6 percent for their dollars. Yet that is no deterrent. For if forecasts about a continuing slide in the value of the dollar are correct, the profit made on waiting to convert would more than offset the interest charge.

Traders in Frankfurt say that if there is no dramatic change in the fundamentals, the dollar could be trading at 1.50 to 1.55 DM by early next year. Such a range would mean that a treasurer could save 4.3 to 7.4 percent by not having converted into dollars at last week's record low rate of 1.62 DM.

That conversion gain would more than cover the West German treasurer's cost and, of course, leave treasurers in Britain or France sitting with even larger profits since they were earning interest while waiting.

This waiting game, however, only adds to the dollar's weakness by removing from the foreign exchange market the demand for dollars that otherwise would have been there. It is a one-way street for sellers to push the rate down.

Dealers say the dollar is not dropping even more sharply because speculators are showing great caution. Dollars are sold short at the start of trading, and the position is closed out at the end of the day rather than rolled over.

SPECULATORS do not want to get caught by some dramatic overnight development that could push the dollar up. So their early morning sales weaken the currency and their purchases at the end of the day often help to push it back up. Official intervention to support the currency, dealers say, has virtually disappeared.

In addition, speculators are being cautious because the dollar could suddenly bounce back. For example, if there were some new favorable development that led corporate treasurers to end their borrowing and rush to convert into dollars, the spurt in demand could push a rising dollar up sharply.

This readiness to act on a moment's notice is reflected in the treasurer's preference for borrowing overnight money. It is the lowest cost money, and, equally important, gives maximum flexibility for maneuvering.

Rumors of an impending statement from the Group of Seven, which reportedly would stress policy coordination as the means to stabilize exchange rates, did not impress dealers. However, the dollar did end the week above its lows. It was boosted by a \$2-per-barrel drop in oil prices that will relieve worries about incipient inflation everywhere. No doubt, the dollar also was aided by covering of short positions before the weekend.

Uncertainty on where official policy will lead the dollar and interest rates continued to blanket the Eurobond market, where issuers and investors have taken early leave for the holidays.

Salomon Brothers reported "good demand" for the two-year currency warrants sold by Toronto Dominion Bank's London Branch. The 250,000 warrants each entitle holders to buy \$100 at a fixed rate of 1.6935 DM. Offered at a price of \$39, the options come into the money when the exchange rate hits 1.7421 DM.

The two-year life of the warrant appeals to institutional investors who either see the dollar staging a comeback within that time or, for the price, are willing to take a gamble that it will.

But overall, bankers report, investors are unwilling to make new commitments.

The only glimmer of activity was in the Deutsche mark sector. Norwegian Mortgage Association of Industry and Trade tapped the market for 75 million DM with five-year notes offered at par bearing a coupon of 5½ percent. Domestic five-year paper was yielding 5.55 percent, and dealers noted that the Norwegian notes would have to trade at a 1½ point discount to equal that yield. In fact, it traded at a discount of 2½ points.

Also on offer were 150 million DM of six-year notes from Thomson-Brandt carrying a coupon of 6½ percent and an offering price of 100%. It traded at a discount of 1½ points.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes		Money Rates	
United States	Cents	United States	Dec. 18 Dec. 19
DJ Indust.	1,752.30	1,667.04	+5.62 %
DJ UHL	178.05	173.54	+2.8 %
DJ Trans.	767.29	699.80	+9.7 %
S & P 100	2,427.5	2,282.3	+5.4 %
S & P 500	2,077.66	2,034.5	+5.6 %
NYSE Cr.	129.15	121.79	+5.2 %
Brussels			
FTSE 100	1,771.00	1,651.00	+3.9 %
FT 30	1,577.00	1,510.00	+5.12 %
Japan			
Nikkei 225	22,626.97	23,035.81	-0.91 %
West Germany			
Commerzbank	1,320.30	1,304.00	+1.8 %
Hong Kong			
Hong Kong	2,180.46	1,869.55	+9.5 %
World			
MSCI P	47.40	39.60	+2.24 %
World Index from Morgan Stanley Capital Int'l.			

Source: Morgan Stanley Capital Int'l.

Currency Rates

Cross Rates		Dec. 18	
Amsterdam	1.208	1.2545	1.1253
Buenos Aires	2.418	2.2735	2.0285
Frankfurt	1.818	2.978	—
London (B)	1.024	—	2.0195
Milan	1,171.00	2,194.00	724.35
New York (B)	1,202.5	1,225.5	1,225.5
Paris	5,819	10.09	3.384
Tokyo	125.90	211.67	72.22
Zurich	1,177	2,143	1,023
1 ECU	1.207	0.8245	0.8245
1 SDR	1.207	0.8257	0.8257

Source: London, Tokyo and Zurich. Others in other centers. New York clearing rates.

*Commercial franc; \$: To buy one pound; c: To buy one dollar; £: Units of 100 N.G.L.; not quoted; N.A.: not available.

Other Dollar Values

Currency	Per \$	Currency	Per \$
Currency	Per \$	Currency	Per \$
Australia	4.20	Fiji, maloti	4.02
Austria	1.404	Greece, drach.	129.35
Austr. schill.	11.53	Hong Kong \$	12.95
Bahrain	34.14	Iceland króna	12.94
Brazil	1.207	Irish, pound	0.6145
Chinese yuan	1.7221	Israeli shekel	2.0728
Denmark krone	6.269	Malta, lira	2.0728
Egypt, pound	2.20	Morocco, dirham	2.9605
French franc	2.204	Mozambique, metical	2.9605
Forward Rates		Per \$	
Currency	28-day	48-day	90-day
Currency	Dec. 24	Dec. 24	Dec. 24
Pound Sterling	1.6204	1.6227	1.6237
Japanese yen	126.65	126.37	126.37
Deutsche mark	1.2024	1.2017	1.2015

Source: London, Tokyo and Zurich. Not available.

Forward Rates

Currency

28-day

48-day

90-day

Dec. 24

New International Bond Issues

Compiled by Aimé Potter Hardouc

Issuer	Amount (millions)	Mot.	Coup. %	Price end week	Terms
FLOATING RATE NOTES					
Forer 3	\$300	1994	½	100	Over 3-month Libor. Callable at par in 1989. Serial redemption. Payable Feb. 22. Fees 0.10%. Domicinations \$10,000.
Swedbank	DK 420	1990	0.45	100.15	Below 3-month Luxembourg interbank offered rate. Redem- nable at par in 1988. Fees 0.15%.
FIXED-COUPON					
Norwegian Mortgage Assurance for Industry & Trade	DM 75	1993	5½	100	98.13 Noncallable. Fees 2%.
Thomson Branch Int'l	DM 150	1994	6%	100%	99.05 Issue is from exercise of bond warrants. Noncallable. Payable Feb. 17. Fees 2%.
WARRANTS					
Toronto Dominion Bank (London)	0.25	1989	—	\$59	Each warrant entitles holders to buy \$100 at a fixed exchange rate of 1.6373 Deutsche marks per dollar. Brokerage fees 1.742%.

Write-Off Signals Baker Plan's Death

By Carl Gewirtz

International Herald Tribune

PARIS — Legally, nothing happened last week when Bank of Boston Corp. wrote off its books \$200 million of debt to unnamed Latin American countries: The debt is still owed to the bank, which has every right to pursue repayment.

But realistically, the accounting procedure signaled the formal death of the Baker Plan, put forward in late 1985 by the U.S. Treasury secretary, James A. Baker 3d.

The plan, which never really came to life, called for economic reform in the debtor countries, continued new lending by commercial banks and accelerated lending by the International Monetary Fund and the World Bank.

But the reforms were not forthcoming, the commercial bank lending was just enough to enable servicing of the existing debt, leaving nothing for new investment, and the IMF was receiving more in repayment of past loans than it was making in new loans.

"The banks are not lending, the IMF is not putting any new money in and the World Bank is in disarray," said Kimmmer de Vries, economist at Morgan Guaranty Trust. In short, he said, "the Baker Plan is not operational."

Now, after the Bank of Boston's move, there is some doubt how far the commercial banks are prepared to go in lending the money they are to receive back in the form of interest payments on old debt.

Once the debt is written off, banks cannot justify making new loans: Shareholders would not accept it, and auditors and supervisors would insist that if the old unpaid loan was written off, the new loan would also have to be.

Even before Bank of Boston's move, there had been growing resistance from commercial banks to extending new loans to debtor countries. Now, said one international official, "it will become even more difficult to arrange new loans."

If other regional banks follow Bank of Boston's lead, this official

said, "we could see a big split between banks. Relations within the banking community could deteriorate."

This would pit money center banks — the ones with global networks and ambitions, massive exposure in Latin America and who see a strategic interest in working to find a solution with the debtors —

against the smaller, less exposed and more profitable banks who may want to pull out.

And if more banks pull out, that would increase pressure from the debtor countries for banks to forgive the loans that have already been written off.

Whatever happens, analysts agree that organizing new debt packages in the future will be infinitely more difficult than in the past.

How much more difficult depends on how many smaller banks follow Bank of Boston's lead. Equally important is the position banks take on trade-related credits. Bank of Boston left these credits unnoted.

The banks' major weapon is trade-related business," the international official said. "No country can afford to see its lines stopped. If banks were to cease to grant trade credits, that would create a real mess."

Elsewhere, the banks show no dearth of appetite for new business. Last week, India won new low borrowing terms on a \$300 million credit for the state-owned Oil and Natural Gas Commission. Interest will be set at 3/16 point over the London interbank offered rate for the first two years and 4½ point over Libor for the final eight years.

The 10-year maturity is long, as is the grace period, which runs for seven and a half years.

Despite the low interest margin and long maturity demanded by India, there was intense competition among banks for the mandate loan to \$1 billion.

Wall Street Calls Boesky Term Just

Reuters

NEW YORK — Wall Street brokers and analysts say the three-year prison sentence given to Ivan F. Boesky, the stock speculator top-rated in an insider trading scandal, was severe but fair.

"Justice has been served," said Al Goldman, portfolio strategist at A.G. Edwards & Sons. "The prison term makes a statement that even the high and mighty are not above the law, and Boesky was the highest and the mightiest."

Mr. Boesky was sentenced Friday on one criminal charge of making false filings to the Securities and Exchange Commission.

He could have received five years in prison and a \$250,000 fine. Still,

his prison term was the longest so far in a scandal that has shaken the securities industry for a year and a half.

The sentence strikes the right chord," said Monte Gordon, research director at Dreyfus Corp. "It implies that had Boesky not cooperated with the government, his term could have been longer. But considering the extensive cooperation he is reported to have given, it's reasonable."

U.S. District Judge Morris E. Lasker did not fine Mr. Boesky, who had paid \$100 million in penalties and illegal profits to the Securities and Exchange Commission last year. He had also been barred from the securities business for life.

At least one Wall Street took a

dimmer view of Mr. Boesky's cooperation with the government, saying he had been driven by the same self-interest in helping the government's prosecutors that once motivated him in his stock dealings.

"Boesky went out of his way to inform," said Matti Prima, investment banker at Henry Ansbacher Inc. "Whatever he bargained for, he bargained for effectively. He's an even better deal maker than we realized."

Michael Metz, a broker at Oppenheimer & Co., said, "I'm a great believer that white-collar crime is as vicious, venal and reprehensible as crimes of violence, and therefore I feel that a severe sentence was appropriate, with the fact that he cooperated only slightly mitigating."

Brokers said Mr. Boesky's sentence was good for investors and for the public's view of Wall Street.

William Lefevre, senior vice president at Adwest Inc., said, "People will think twice before they violate securities laws."

Senate Alfonso M. D'Amato, a New York Republican who sponsored a bill calling for increased penalties for insider trading, said the sentence showed how strong the law was regarding stock fraud.

"Those who engage in insider trading are nothing less than thieves who seriously undermine the integrity of our nation's capital markets," he said.

Representative John D. Dingell, a Michigan Democrat who is chairman of the House Energy and Commerce Committee, said the sentence was a "fitting punishment for a crime that seriously undermined our financial market system."

Analysts caution against generalizing about bonuses. As with all compensation, bonuses are not only based on a firm's profitability, but also on seniority and performance, as well as the revenue generated by an individual's department.

As is the case with Morgan Stanley, employees in mergers and acquisitions and to a lesser extent in corporate finance departments will likely receive among the highest bonuses this year.

"You have to do it to keep your talented people or they'll just walk," said another Wall Street executive.

By contrast, municipal bond, arbitrage and equity trading departments had poor performances. In keeping with Wall Street's concern about the bottom line, observers believe employees in such departments will be rewarded accordingly.

"Morgan Stanley may be the only big firm that will turn in a profit in the final quarter," said Brenda McCoy, who tracks the securities industry for PaineWebber.

As a result, many Wall Street observers do not foresee any major

Hong Kong Exchange Chief Calls Rules 'Adequate'

As the new chairman of the Stock Exchange of Hong Kong, Charles Sin Cho-Chiu assumes office amid much controversy. His predecessor, Ronald Li, was widely criticized for suspending trading for four sessions after October's price collapse. The exchange is now under study by a government-appointed review committee. Mr. Sin, 52, a solicitor and a close associate of Mr. Li, spoke with the IHT's Patrick L. Smith over the weekend.

Q. What is your view of Hong Kong's regulatory environment? Do you feel markets here are adequately regulated at present?

A. We have legislation covering the market, brokers and listed companies, and we have legislation that protects investors. The exchange itself has rules borrowed mostly from the London Stock Exchange. In short, there is already sufficient legislation to regulate the market and protect investors.

Q. Do you feel Mr. Li was justified in closing the stock and futures markets?

Is an era of greater official involvement on the way? A. With Mr. Fell, we'll have the advantage of things being organized more efficiently. But in principle, I'm an advocate of brokers managing their own affairs. Market men know better about markets than outsiders. I would advocate that brokers elect their own committee to run the exchange.

A. Again, Mr. Li has been personally and unjustly attacked for dominating committee meetings. Any reasonable man would know that cannot happen. The committee consists of 21 elected members, and everybody has an equal voice.

Q. Are you disappointed that Hong Kong is now somewhat out of favor with international investors and is viewed as more immature than it had been thought even a few months ago?

A. You're quite correct about that. Before we unified our four exchanges last year, Hong Kong was a nice local market, and since unification it has become an international market. As such, we're affected by global turbulence. But the reputation of a market depends only on whether investors seize opportunities.

Q. Many fund managers now assert that in terms of disclosure requirements, the Hong Kong market is still very far from where it should be.

A. Our disclosure rules comply with existing legislation, which we feel is sufficient for the investing public.

Q. But you're now going to companies turning up with massive speculative losses, while shareholders had no idea they were even in the market.

A. When we study the listing of these companies, we rely on their underswriters and accountants and their own forecasts for future earnings. We can't be an investigator. We depend on the integrity of a company and its professional people.

Q. What will you do to communicate to the international investment community that the problems that led to October's closure will be addressed?

A. We were affected by global turbulence. It was not a problem that was generated from Hong Kong. As far as we're concerned, we had no problem. Our only difficulty was a huge backlog of settlements.

Q. Do you feel it is now important to recognize the role of foreign brokers in Hong Kong by opening the exchange committee, which is now limited to local brokers, to foreign membership?

A. Good question. To convince members to accept change, one has to progress step by step. At this point, we have to wait for the review committee's findings.

Q. More generally, is it time for the Hong Kong market, including basic mechanisms such as the clearing house, to catch up with the realities of a global equity system? A. One of our primary objectives must be to set up a central clearing and depositary system, because a local market has become a global one, and a small volume a large one. But we cannot expect to change our system overnight.



Icahn and Shareholders Were Key Players in Texaco Accord

By Agis Salpukas

New York Times Service

NEW YORK — In the past three weeks, a variety of players have taken center stage in fashioning the settlement of the bitter struggle between the tiny Pennzoil Co. and the giant Texaco Inc.

Numerous efforts to settle out of court failed. Executives at Pennzoil and Texaco remained far apart on an acceptable dollar figure. But recently they have been shunted aside by a cast of characters who made the final settlement and reorganization plan possible.

In November, Carl C. Icahn, chairman of Trans World Airlines Inc., assumed the role of deal maker by gaining control of 30 million shares of Texaco stock from Robert Holmes & Court, an Australian industrialist. That made Mr. Icahn Texaco's largest shareholder.

Other key players include members of a shareholders' committee, formed last spring on the orders of U.S. Bankruptcy Court, and Orde Robert C. Norris, a Colorado rancher who has appeared in cigarette advertisements as the Marlboro Man and is a descendant of a Texaco founder.

Charles F. Luce, retired chairman of Consolidated Edison Co. of New York and now a director of Metropolitan Life Insurance Co., Texaco's second largest creditor after Pennzoil, heads the creditors' committee.

Judge Howard Schwartzberg of U.S. Bankruptcy Court is hearing the case in White Plains, New York. His rulings on the role of the committee in working out a reorganization plan were crucial to resolution of the dispute.

"Each of the participants had to play the leading role from time to time," Mr. Luce said. "Each one took the initiative and we can't leave Icahn out of this. But in the end Pennzoil and Texaco were left to work things out in the stretch."

On Friday, after an agreement in principle had been reached, Mr. Icahn said he was happy that the agreement was nearly completed. He said he had no plans at this time to seek control of Texaco.

At that meeting and one on Dec. 5, Mr. Icahn cajoled the other side and indicated darkly that Pennzoil could end up getting nothing. He persuaded Mr. Liedtke to seek a settlement and think about reducing his demand from \$4 billion to about \$3 billion.

Joel Zweibel, the lawyer for the creditors' committee, said the judge's ruling and Mr. Icahn's in-

vention broke the logjam between Mr. Icahn and Mr. Liedtke. "Things had stalled," Mr. Zweibel recalled. "After that, negotiations began in earnest."

On Dec. 7, at the New York headquarters of Metropolitan Life Insurance Co., Mr. Liedtke and

Mr. Kinnear, the president of Texaco, met. They had shunned face-to-face meetings since Texaco filed for bankruptcy. Now they conferred. It was a sparing match in comparison.

But Mr. Liedtke asked to meet privately with Mr. Luce and several other representatives of the creditors' committee. Mr. Luce said he and Mr. Liedtke had agreed that for a settlement to be reached, the first crucial step was to agree on a single dollar amount.

You know what the ball park is," Mr. Luce recalled. Mr. Liedtke said he worked mostly through Mr. Jaimail, whom he consulted dozens of times a day, was at times left out of crucial decisions.

Mr. Liedtke, according to Mr. O'Dea, said at the meeting with the shareholder leaders that the \$3.001 billion figure was satisfactory and he would talk it over with his board. But at a meeting on Dec. 11, Mr. Kinnear gave the \$3 billion figure an icy reception. Mr. O'Dea said Mr. Kinnear felt he could have forced Mr. Liedtke to accept a lower amount.

Then all the main players, the creditors and shareholders, Mr. Icahn, regrouped that weekend to force Texaco to come to terms or face the prospect of a court-ordered settlement.

Dennis M. O'Dea, the lawyer for the shareholders committee, said that concern arose when he and other committee representatives realized that Mr. Liedtke and the creditors' leaders were taking the initiative.

On Dec. 7, Mr. O'Dea took all 12 members of the committee to a court hearing at which he argued that the shareholders be included in any settlement plan. The judge agreed.

"We got a seat at the table where the game was being played," Mr. O'Dea said.

That same afternoon, the committee met at an inn near the courthouse and decided that it was willing to accept a settlement of \$3.001 billion. The extra \$1 million was added by Mr. Norris, whose mother's uncle, John W. Gates, was "Bet-a-Million" Gates, a Texaco founder.

The committee, seeking to seize the initiative, also set up a meeting with Mr. Liedtke for Dec. 9, in Houston. That night, however, they met with Mr. Icahn over dinner in Manhattan where, according to Mr. O'Dea, they spent a pleasant evening, including his success in taking over Trans World last year.

But the committee told him nothing of their decision to accept a \$3 billion settlement, or of their scheduled meeting with Mr. Liedtke. Thus Mr. Icahn, who worked mostly through Mr. Jaimail, with whom he consulted dozens of times a day, was at times left out of crucial decisions.

His strong stand was effective. The shareholders backed off and the shaky alliance between the groups was restored.

It was the united stand that left the Texaco management isolated, and eventually brought it to the bargaining table with Pennzoil.

The spotlight then moved back to Mr. Kinnear and Mr. Liedtke and their legions of lawyers and advisers, who spent the past week haggling over every word in a complex plan of reorganization.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Dec. 18

Sales in
100s
High
Low
Close
Chg.Sales in
100s
High
Low
Close
Chg.

A

B

C

D

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W

X

Y

Z

AAW Bd

BBB

ABC Co

ACD Co

AEF

AFB

AGC

GOLD: Market Sleuths Ask Why Price Failed to Soar When Dollar Plunged

(Continued from Page 1)
trial average of leading U.S. stocks fell 89 percent, a representative group of South African gold mine shares lost only 2.9 percent of their value. Many of them continued paying dividends of 7 to 10 percent a year.

The price of gold itself shot up by about 5 percent on Oct. 19, briefly touching \$495 an ounce, but collapsed the next day. Mr. Martini finds it a startling sign of the times that Oct. 20 found only 2,500 buyers in the Paris gold market, out of a total French population of 55 million.

Euromarts At a Glance

Eurobond Yields

	Dec. 14	Dec. 15
U.S. 5-10 yrs & over	9.7%	9.8%
public issues 8 yrs & over	9.2%	9.2%
other issues 8 yrs & over	9.0%	9.0%
U.S. 5-10 yrs	9.0%	9.0%
Portug. 5 to 7 yrs	9.0%	9.0%
French francs, less than 5 yrs	10.0%	9.0%
ECU, 5 yrs & over	8.2%	8.2%
Portug. 5 to 7 yrs	8.2%	8.2%
Can. 5 to 7 yrs	10.0%	11.0%
Aus. 5 to 7 yrs	14.0%	14.0%
N.Z. 5 to 7 yrs	12.0%	12.5%
Yen, 5 yrs & over	5.5%	5.5%
5 to 7 yrs	5.5%	5.5%

Source: Luxembourg Stock Exchange

Weekly Sales

	Dec. 14	Dec. 15
Primex Metals		
Cable	None	None
Convert.	—	1.8%
Fwd.	—	1.8%
SCP	5.0%	5.2%
Total	1,173.75	781.95
Euromarket		
Cable	None	None
Convert.	4,854.90	5,802.00
Fwd.	162.00	162.00
SCP	1,040.50	2,040.50
Total	8,172.40	9,871.10

Source: Euromarket, Codel

Liber Rates

	Dec. 14	Dec. 15
1-month	3-months	6-months
U.S. \$	914	914
Deutsche mark	5%	5%
Pound sterling	5%	5%
French franc	5.5%	5.5%
ECU	7%	7%
Yen	4.11/16	4.77/16

Source: Morgan Guaranty, Lloyds Bank, Reuters

In many West European countries and Japan, it would actually have been better to hold cash than gold over the past few weeks. Most major currencies have appreciated faster against the dollar than gold has.

Mr. Baring, a genuine gold enthusiast, is undaunted. Gold "has behaved extremely well relative to everything except gilts and cash," he said. Some time soon, he predicts, "gold shares will enjoy a spectacular rally."

Gold is historically cheap compared with stocks or a dinner at London's Savoy Hotel, Mr. Baring maintains.

A gold sovereign can feed less than 3 people at the Savoy today, against 3.3 people in 1914. "To restore its historical relationship the gold price would have to rise to \$67 per ounce," he asserted.

Most investors, however, regard gold coins not as meal tickets but as "rainy day money," said Murray Church, communications director at the Royal Canadian Mint in Ottawa.

And the Canadian Maple Leaf, the world's best-selling gold coin (just ahead of the U.S. Eagle), has been "going like a house on fire" in Western Europe since the stock market collapse.

Final sales for the year could be as much as 50 percent higher than the 1 million ounces forecast before the stock market collapse, according to Mr. Church.

Few people, however, see the price of gold soaring to the dizzying heights of January 1980, just after the Soviet move into Afghanistan, when it reached its historic peak of \$850 an ounce.

Mr. Martini said it would take an Iranian invasion of Saudi Arabia, or the election of the Communist leader Georges Marchais to the French presidency, to produce such an upsurge.

Many analysts suspect that the U.S. Federal Reserve Board and other central banks, including the Bank of England, sold gold on and after Oct. 19 to prevent the price from reaching \$500 too quickly.

Mr. Nistic believes the central banks simply floated rumors that

they were selling. But the aim, he said, was the same: to head off the panic that could have resulted from a soaring gold price and a plummeting dollar.

Plenty of people were buying gold as the stock markets collapsed, so the sellers must have been there, said Jean-Philippe Roos, a director of the money management firm Paluel-Marmont Finance in Paris. Some of the sellers may have been smaller central banks and developing countries that needed cash.

The major gold producers, South Africa and the Soviet Union, and individual mining companies also may have sold to take advantage of the rising price on Oct. 19. Other sales probably were made by investors who needed ready cash as the markets collapsed.

But the stock downturn itself also may have discouraged buying by investors who traditionally see gold as a hedge against inflation. The collapse was widely seen as a portion of recession rather than inflation.

Gold's spectacular advances in 1972-74 and 1976-80 were accompanied not only by a falling dollar, but by a rapidly increasing rate of U.S. inflation. Unlike today, Arab countries were buying heavily as their revenue soared in the two oil shocks, Mr. Nistic said.

Gold enthusiasts now believe that the price of both gold and gold mine shares will firm as investors diversify their portfolios in the aftermath of the stock market disaster.

Mr. Roos is advising his clients to keep 3 to 10 percent of their portfolios in gold or gold-related investments as a hedge — not so much against inflation, but against the risk of world financial upheaval. Like good bargains, these look like good bargains, a number of analysts say.

A big factor will be the repayment by the French government of about \$3.5 billion to the remaining holders of the so-called Giscard 7 percent gold-indexed bond, which was issued in 1973 and is redeemable on Jan. 16.

Because the redemption price is

based on the average gold price in the 30 trading days before that date, the market notes that the French government has a strong interest in keeping the gold price down in the next few weeks, perhaps by gold sales.

There is also a general belief that bondholders will want to reinvest at least part of the proceeds in gold or gold-related assets.

That view is not shared by the maverick Mr. Martini, at least as far as his parents, members of today's more sophisticated young generation realize that gold is a poor investment, he says.

Gold holders, at least in France, pay a 10 percent premium in taxes and commissions for buying and selling — almost 3 percent when they buy, and 7 percent when they sell. And they earn no interest.

As they could place their capital at 10 percent elsewhere, they must be sure that the gold price will go up by 20 percent in a year to break even. Mr. Martini has calculated.

Daily immersion in the Dickensian atmosphere of the Paris gold market is certainly less exciting than it would have been 30 years ago. In those days, Mr. Martini says, 50,000 to 300,000 coins and several hundred kilos of ingots changed hands every day.

Now, the average is 2,000 to 4,000 coins, and perhaps 30 to 100 kilos of ingots. The desultory trading is usually over in half an hour. Otherwise little has changed.

Dealers still perch on stools around a curved wooden bar that might have come from the corner bistro and watch a clerk scribble the prices in chalk on an old-fashioned blackboard.

Mr. Martini says there is one great buy if you can find it: South Korean gold coins. Two Korean millionaires are competing to buy up every single one of the 5,000 pieces minted, driving the price rocketing upward.

The only trouble is that there are perhaps only 20 lurking around the world that the millionaires have not yet cornered. One of those might make a classic Christmas gift that a regular old Napoleon.

Sinai Shifts to Shearson's Boston Unit

Compiled by Our Staff From Dispatches

NEW YORK — Allen Sinai, one of Wall Street's best-known economists, is leaving as chief economist at Shearson Lehman Brothers Inc. to become chairman and chief executive of a new consulting company, Boston Co. Economic Advisors Inc., with offices in Boston, New York and London.

Robert J. Barbera, 35, who is Mr. Sinai's counterpart at E.F. Hutton Group Inc., will replace Mr. Sinai as chief economist of the combined Shearson and Hutton firms in January. The announcement follows Shearson's agreement to acquire Hutton in a merger that is expected to result in layoffs of at least 3,000 employees.

Mr. Sinai, 48, said he would take 12 of the 20

people on Shearson's economics staff with him to Boston Co., a money management firm catering to individuals and institutional clients.

In his five years as chief economist at Shearson and a predecessor firm, Lehman Brothers Kuhn Loeb, Mr. Sinai built up its staff to among the largest on Wall Street.

The 12 people making the switch include 8 of Shearson's 14 economists. Mr. Barbera, who has been Hutton's chief economist since 1982, will bring with him four economists.

Mr. Sinai said that his role as head of the new economic advisory unit would fulfill his desire to work in a "more entrepreneurial venture" while placing him closer to his home in Boston.

Another highly respected chief economist, Harry Kaufman of Salomon Brothers Inc., said last week he would resign to set up his own consulting firm.

(NYT, AP)

'Rolling Stone' in French

United Press International

PARIS — A French-language edition of Rolling Stone, the premier U.S. rock music magazine, will appear on newsstands across France beginning Jan. 13, its Paris publisher, Pendulum, announced.

Treasury Bonds

Dec. 18

Maturity	Bid	Ask	Yield	Wt.-Avg.
30.11.87	99 29/32	99 31/32	7.77	8.01
30.12.87	99 29/32	102 1/32	8.01	8.29
28.9.87	99 29/32	102 1/32	8.25	8.57
15.11.87	99 29/32	102 1/32	8.25	8.95
15.12.87	99 29/32	102 1/32	8.25	9.28
15.2.88	99 29/32	103 1/32	8.25	9.52
15.2.88	99 29/32	103 1/32	8.25	9.75
15.8.87	99 29/32	99 1/32	8.25	9.45

Source: Salomon Inc.

American Exchange Options

Figures as of close of trading Friday.

Dec. 18

Call Option & price Calls Puts Option & price Calls Puts

Call Option & price Calls Puts Option & price Calls Puts

Call Option & price Calls Puts Option & price Calls Puts

Call Option & price Calls Puts Option & price Calls Puts

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Sweden Blanks India To Win a 4th Davis Cup

Compiled by Our Staff From Dispatches

GOTEBORG, Sweden — Sweden won the Davis Cup on Sunday for the third time this decade, defeating India, as Mats Wilander and Anders Jarryd scored straight-set victories in the reverse singles.

Sweden's score of 5-0 was the first whitewash in the final since 1979. The Swedes won their fourth Davis Cup in all.

Jarryd took 79 minutes for his 6-4, 6-3 victory over Ramesh Krishnan and Wilander crushed Vijay Amritraj, 6-2, 6-0, in 34 minutes.

On his two matchpoints, Wilander directed the sparse crowd of 7,000 at the Scandinavian Arena to a crescendo of applause. He signaled for silence and won on the second ball when Amritraj sent a backhand wide.

Sweden had clinched the cup on Saturday when, after victories in the first two singles matches Friday, its doubles team of Wilander and Joakim Nyström beat Vijay Amritraj and his brother Anand, 6-2, 3-6, 6-1, 6-2.

With the outcome already decided, Sunday's matches were reduced to best-of-three-sets.

Trying to save India's pride, Krishnan fought back Sunday with a beautiful touch game in the 44-

minute-long opening set, the longest in the final.

He angled his soft shots, but Jarryd's power game was too much for him.

Jarryd lost his serve in the fourth game, but broke in the third and fifth to win the set at 6-4.

Krishnan dropped his serve in the third game of the second set and the players then traded breaks in the seventh and eighth game before Jarryd served out the set at 6-3.

"It was a bit hard to concentrate,

but I really wanted to win today for Davis Cup statistics," said Jarryd.

He had played his first singles match in a Davis Cup final on Friday.

Wilander won his first set 6-3 in 30 minutes and swept six successive games to win the second in 24 minutes. In both his singles matches, Wilander dropped only seven games.

Wilander, ranked third in the world, and Jarryd lost only 15 games in the opening singles Friday and did not drop a set.

Nystrom and Wilander, who are close friends off the tennis court, replaced Stefan Edberg and Jarryd as the Swedish doubles team on Saturday. Edberg sprained his foot in practice last week.

The team's only previous doubles match in a Davis Cup final was

in 1985 when Sweden beat West Germany, 3-2, in Munich.

Wilander and Nystrom outplayed the Indians in the last two sets, winning 12 of 15 games. The Swedes were broken only once each, early in the second set, giving the Indians a 3-1 lead.

"We sort of fell asleep in the second set," said Wilander. "They played much better. They didn't miss like they did in the first set. We came into their rhythm."

"But in the third set we picked up the rhythm again."

Anand Amritraj, at 35 the oldest player on the Indian team, dropped his serve five times in the two-hour match. Vijay Amritraj, who has been playing doubles for 18 years with his brother, lost his serve twice.

He said it really did not matter which Swedish doubles team he and his brother faced.

"We knew we were going to play a very tough doubles team, whoever it was," he said. "But I think we had a good chance in the early stages of the third set if we could have stayed with them."

"I think we started to play better after we got used to the first set."

Sweden was playing in its fifth straight Davis Cup final.

Sweden beat the United States, 4-1, in 1984 on clay and overcame

West Germany, 3-2, in 1985, Australia beat the Swedes 3-2 in the 1983 and 1986 finals.

Sweden's other Davis Cup victory was in 1975, when Bjorn Borg led the Swedes to a 3-2 victory over Czechoslovakia.

Sweden's trouncing of India was the first 5-0 victory since the United States crushed Italy in the 1979 finals.

With three victories in the 1980s, Sweden is followed by the United



G. Bradsher/The Associated Press
Teammates giving Mats Wilander a victory toss after he and Joakim Nyström clinched Sweden's fourth Davis Cup title, beating Anand and Vijay Amritraj in the doubles match.

States and Australia with two apiece.

After three days with little excitement, the crowd in Gothenburg heated up Sunday, chanting "Heja Sverige," or "Go Sweden," during the presentation of the trophy by Philippe Charlier, president of the International Tennis Federation.

The stadium exploded in a standing ovation when Vijay Amritraj, India's playing captain, said: "The Davis Cup trophy is back

where it belongs. With the best team in the world."

"All of Sweden should be very proud of the fact that in all of the international tour they are the finest sportsmen."

For once, Wilander was the big hero of the final, playing in the decisive doubles victory. He was not able to clinch the two previous finals in which he played, against the United States in 1984 and West Germany in 1985. (UPI, AP)

Key Bosworth Plays Help Lift Seahawks Over Bears, 34-21

The Associated Press

CHICAGO — Rookie linebacker Brian Bosworth recovered two fumbles and nearly returned one for a touchdown in leading Seattle to a 34-21 National Football League victory over Chicago in Walter Payton's last regular-season game at Soldier Field.

Paying the NFL's all-time leading rusher with 16,644 yards, ran 17 times for 79 yards and scored two touchdowns for Chicago. But five turnovers and 20 third-quarter

NFL ROUNDUP

points by Seattle proved to be too much for the Bears.

The Seahawks, 9-5, improved their American Football Conference playoff hopes while the Bears, 10-4 after two straight losses, lost advantage in the National Football Conference playoffs.

Bosworth helped put Seattle ahead 14-7 early in the third quarter when he jarred the ball loose from running back Neal Anderson on the Chicago 39, recovered the fumble and ran it to the 1-yard line. Curt Warner ran for the touchdown on the next play.

Payton then capped an 87-yard drive with a 3-yard touchdown run to tie the game at 14-14.

But on the first play of the next series, fullback John Williams raced 75 yards with a screen pass from quarterback Dave Krieg to put Seattle ahead for good, 21-14.

The Seahawks got the ball back immediately when Freddie Young recovered a fumble by Chicago quarterback Mike Tomczak, and Norm Johnson later kicked a 45-yard field goal.

Tomczak fumbled again two minutes later, and Bosworth recovered on the Chicago 20, setting up a Johnson field goal of 29 yards.

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Washington Stops Tulane In Bowl Game

The Associated Press

SHREVEPORT, Louisiana — Chris Chandler knew for 234 yards and two touchdowns Saturday night, leading Washington to a 24-12 victory over Tulane in college football's Independence Bowl.

Kinslow, skiing through thick fog, was clocked at 1:32.07. Chauvet, 20, a third-round starter, finished 0.2 seconds back.

Kinslow, 26, returned to ski in West Germany this year after four years on the Dutch squad.

Another late starter, Veronika Sarec of Yugoslavia, edged Corinne Schmidhauser of Switzerland for third place.

Tulane's 20-year-old coach, Mitchel Price, had a point return by Todd Wiggins in the first quarter, a field goal by Todd Wiggins in the second and a late safety intentionally yielded by Washington.

In Pocatello, Idaho, Stan Humphries passed for three touchdowns and ran for one as Northeast Louisiana rallied past Marshall 43-42 for the NCAA Division I-AA title.

Tulane scored on a 10-yard punt return by Mitchell Price in the first quarter, a field goal by Todd Wiggins in the second and a late safety intentionally yielded by Washington.

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Wilson also was the Vikings leading rusher, scrambling for 55 yards on eight carries.

Oilers 24, Steelers 16: In Houston, Oilers' quarterback Warren Moon threw two touchdown passes to Drew Hill as Houston defeated Pittsburgh and kept alive its hopes of making the playoffs for the first time since 1980.

Pittsburgh cut Houston's lead to 17-16 with 9:31 to play on a 20-yard field goal by Gary Anderson after the Oiler defense stopped the Steelers at the Oiler 3-yard line. But Moon then directed a 77-yard scoring drive that ended with a 30-yard touchdown pass to Hill.

offense while forcing a pair of fumbles and two interceptions.

The victory improved the play-off-bound Saints' record to 11-3 and kept them in contention for the NFC West title. New Orleans is assured of at least a wild-card berth, the first playoff spot in the franchise's 21-year history. The Bengals fell to 4-10 overall and 1-5 at Riverfront Stadium.

Patriots 13, Bills 7: In Orchard Park, New York, Reggie Duper ran for 78 yards, including the winning touchdown on a 36-yard run in the second quarter, as New England downed Buffalo and kept Patriot playoff hopes alive.

The Vikings 7-7, could win the AFC East title for the second consecutive season if they beat Miami next week and if Indianapolis loses one of its next two games.

Buffalo is also 7-7, but could be eliminated from playoff contention if Miami won later Sunday.

New England scored in the first quarter on a 7-yard pass from Steve Grogan to Cedric Jones. The Bills defense recorded Buffalo's only score when Sean McNamie recovered a Duper fumble in the third quarter and ran 14 yards for the touchdown on the next play.

Payton then capped an 87-yard drive with a 3-yard touchdown run to tie the game at 14-14.

But on the first play of the next series, fullback John Williams raced 75 yards with a screen pass from quarterback Dave Krieg to put Seattle ahead for good, 21-14.

The Vikings 8-6, could wrap up a NFC wild-card spot with a victory in their final game next week against the Washington Redskins.

The Lions, 3-11, set a season high with five turnovers and had a 72-yard punt return that would have put them ahead 21-17 nullified by a clipping penalty.

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Oilers 24, Steelers 16: In Cincinnati, Bumfords 10:31 to 10:21. Atlanta 10:21 to 10:11. Detroit 10:11 to 10:01. Dallas 10:01 to 10:00. Denver 10:00 to 10:00. Green Bay 10:00 to 10:00. Houston 10:00 to 10:00. Indianapolis 10:00 to 10:00. Kansas City 10:00 to 10:00. Los Angeles 10:00 to 10:00. Minnesota 10:00 to 10:00. New Orleans 10:00 to 10:00. San Francisco 10:00 to 10:00. Seattle 10:00 to 10:00. Tennessee 10:00 to 10:00. Washington 10:00 to 10:00.

WOMEN'S GIANT SLALOM (At Kranjskoga, Yugoslavia)
1. Helmut Neuer, Austria, 1 minutes, 27.00 seconds.

2. Pirmin Zurbriggen, Switzerland, 2:27.27.
3. Hubert Stratz, Austria, 2:28.13.
4. Horst Hirschbauer, Switzerland, 2:28.79.
5. Martin Hensel, Switzerland, 2:29.25.

MEN'S SPECIAL SLALOM (At Kranjskoga, Yugoslavia)

1. Alberto Tomba, Italy, 1:46.35
2. Richard Probst, Italy, 1:46.36
3. Gerhard Mader, Austria, 1:47.27
4. Zurbriggen, 1:47.28

WOMEN'S OVERALL STANDINGS

1. Alberto Tomba, Italy, 1:46.35
2. Zurbroen, 1:46.35
3. Strelz, 42
4. Strzelz, 42
5. Rudolf Mierlich, Austria, 40

WOMEN'S GIANT SLALOM (At Planica/Helf) 1. Catherine Guitet, France, 2:27.22 2. Vreni Schneider, Switzerland, 2:27.48 3. Michaela Suter, Austria, 2:28.02 4. Corinne Schmidhauser, Switzerland, 2:28.41

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LANGUAGE

A Jazzman Comes Out of Shadows

By James McBride

Washington Post Service

NEW YORK — It's 11 P.M. and the night is young. The sign above the stage says "History in the making." It's jazz jam night at the Valhal Jazz Pub in Fort Greene in Brooklyn, and the beans have arrived.

There are about 20 of them, some of the finest young musicians in New York. Trumpet players and saxmen, drummers and bassists, they come from everywhere, young men and women who were the best in their schools, on their blocks, in their cities, who came to New York bearing their instruments like six-shooters in hopes of the big gig. They gather at the Valhal, far from trendy downtown Manhattan, to strut their stuff, see old friends, meet new ones, trade laughs and licks, and claw it out with superior players. It's an underground musical wonderland, removed from the star-maker machinery of the record industry — and in this world, the young man sitting in the darkened rear of the club, holding his gleaming trumpet in his lap, is a king.

He sits alone, silent and slim in a dark gray jacket, his right hand on his horn. His head is bowed slightly, giving him an edgy, pensive, shy look. Yet as he walks toward the stage, moving like a shadow, the other horn players waiting to blow part respectfully. Wallace Roney 3d, 27, is considered by many to be one of the best jazz trumpeters in the world.

The first time he put his tips to the trumpet at age 5, it seemed as if something caught fire. He was born with perfect pitch, but the trumpet meant more than that. With the horn, he found secrets and jewels of truth within himself that he never knew existed.

He was the pride and joy of the Duke Ellington School of the Arts when he left Washington for New York. At 18 he was accepted by the Juilliard School, but chose not to attend. At 19 he was the Down Beat magazine "Best College Jazz Instrumental Soloist" and won a berth in Art Blakey's Jazz Messengers — the most prestigious job for any young jazzman. By 23 he had been cheered by thousands in Europe and Asia and had re-

corded with some of the finest names in jazz, including Herbie Hancock, McCoy Tyner, Kenny Barron, Horace Silver and Chico Freeman. His first album, "Verses" (Muse Records), was released in October and he is now with the Tony Williams Quintet.

"He certainly rates as one of the brightest young players on the scene," says Barron, a professor of music at Rutgers University and a veteran jazz pianist.

But there is another top trumpeter around, and Roney has lived his entire professional life in the shadow of Wynton Marsalis. There's no ill feeling between the two, who first met in 1980 playing with the Blakey band, but they are a study in contrast. Roney is quiet and reflective; Marsalis is outspoken. Roney lives in a walk-up flat in Harlem, Marsalis in downtown Manhattan. As a player, Roney is emotional and lucid, fresh and hot. Marsalis is polished and technically smooth, with astounding brilliance and boldness. Roney says the most he has earned professionally is \$15,000 a year. Marsalis, a seven-time Grammy winner (the first instrumentalist to win in both classical and jazz), earns more.

"From a jazz publication standpoint, he might live in my shadow, but the musicians have a lot of respect for him," Marsalis says of Roney. "People like him should be supported with everything society has to offer."

But society's offerings have been slim. Roney spent his first years in New York playing with borrowed trumpets and sleeping on the floor of friends' apartments determined to play jazz for a living.

"I don't think a young musician should come to New York and expect things to happen to him like they happened for Wynton," Roney says. "To believe you'll get what Wynton did — almost immediate stardom — is impossible. Talent is only half the battle in New York. The other half is survival."

He spends his afternoons practicing, composing and listening to records to analyze what other great players do, then teaches a lesson or two — or five. In the evenings he plays gigs around

Nancy Kyes, for The Washington Post
Wallace Roney 3d: "Talent is only half the battle."

town, joins jam sessions or heads out to hear others perform.

And like hundreds of New York's free-lance musicians, he waits for the phone to ring. During work-filled months, he spends a lot of the time on the road. He spent most of October and November touring the United States and Europe with the Tony Williams Quintet. "My highest dream was to play with Art Blakey," says Roney, who only recently left the Blakey band. "But my secret dream was to play with Tony Williams. I think he's taken the music to its highest plateau so far."

When he's not touring, the pickings are slim. Gone are the clubs and big bands of the '40s that provided the economic and

musical framework for the growth and exposure of such artists as Dizzy Gillespie and Charlie Parker. "The college bands are overflowing with talented young stars who could have gone on to become heroes in another time," the trombonist Bill Watrous says.

What usually supports the jazz artist are tours, concerts and festivals. But promoters and record executives create a fickle selective star system, so even as the indisputably talented Marsalis is served up, there are other talented young trumpeters — along with veterans like Woody Shaw, Freddie Hubbard, Art Farmer and Clark Terry — who are alternately dropped or shuttled from label to label. It's a point that Marsalis

has often made himself: that there are other good players out there.

Roney was born in Philadelphia, the oldest of three kids. His parents separated when he was seven, leaving Wallace, his brother Antoine (now a tenor saxophonist playing with the drummer Elvin Jones) and his sister Crystal under the care of their grandparents.

His father, Wallace Roney Jr., was once a middleweight contender, then a Washington police detective with little time for being a parent. "My hours were always so bad, I was never home for them," he says. He commuted to Philadelphia to see his children. Now he is a U.S. marshal at the Justice Department.

"One of the first memories I have of music is hearing Miles Davis," Roney says. "My father loved Miles Davis and Lee Morgan. Like a kid today listens to Michael Jackson, I listened to Miles Davis."

At age five he picked up his father's trumpet; at seven his father bought him his own. It was a love for the instrument, along with the strict attention of his grandparents, that kept Roney off the mean North Philadelphia streets.

At 12, while at the prestigious Philadelphia Settlement Music School, he performed with the Philadelphia Brass Ensemble, a classical group. Three years later his father moved the children to Washington, enrolling Wallace and Antoine in the Duke Ellington School.

After graduating from Ellington in 1978, Roney declined Juilliard in favor of Howard University. He attended for a year, and did a 1979 summer European tour with the pianist Abdullah Ibrahim and a 1980 European tour with Art Blakey's Big Band Jazz Messengers, playing second trumpet behind Marsalis. But it wasn't until early 1986, when Tony Williams and Art Blakey called on Roney within a month of one another to join their groups, that the drought ended. His resilience had won him the respect of his peers.

"What I'd really like," Wallace Roney says, "is a house of my own, where cats could come by and just play the music all day. All day long."

It's Duh-DAH-Duh-DAH Appalling

By William Safire

WASHINGTON — "It is nothing short of *appalled*," declared the Democratic presidential candidate Albert Gore Jr. on NBC's double six-pack debate, "that five of the six Republican candidates have expressed reservations — or outright opposition — to the treaty."

"I was *appalled*," Tom, said Republican candidate George Bush to moderator Tom Brokaw a few moments later, "at the Democrats' answer — absolutely appalled at their concept that everything is wrong."

Toward the end of the same broadcast, the vice-president responded to a charge that the Reagan administration had not done enough to combat AIDS: "I was *appalled* again at the Democrats. We're spending a billion dollars of federal money on AIDS research." After he said that the Democrats' response made him want to switch over to another network to watch "Jake and the Fatman," which drew a laugh, Gore issued a stern statement: "I was *appalled* at the treatment of AIDS as a joke."

Rooted in the Latin *paleo*, "to be pale" *appall* retains its kinship to *pale*; it refers to the state of shock in which blood drains from the face, and still has a meaning of "stunned and unable to act because of disgust or fear." Shakespeare was the first user of the past-participle form, and was a frequent user in other tenses. The horrified Macbeth, seeing the ghost of Banquo, describes the event as one that "might appal the devil." Hamlet, comparing himself to a passionate actor, says,

*He would drown the stage with tears,
And cleave the general ear with horrid speech,
Make mad the guitar, and appall the free.*

In a double play on the present-participle senses of whitening and surprising, the poet W.H. Auden wrote,

*Drifts into many a green valley
The appalling snow.*

The literal meaning of the word is unmistakable — "stultifying an emotion that numbs the face pale" — but the question follows: what emotion?

Not anger, if that were the feeling, the speaker would talk of being infuriated, outraged or angered, or would sputter, "That makes me *sore*" or "It *ites* me up." Not *dizgust*, a strong stomach-turning emotion; few remarks by an opponent are so repugnant as to cause a speaker to raise the possibility of retching in public view. And not *fright*. Can you imagine a red-blooded politician admitting, "I am frightened by" or "I am *fearful* of" even "I *shrink* in horror from?"

The people who use *appalled* today do not intend to display real fear, which would be impolitic if not wimpish. Same with *unwised*, and a bright-rooved adjective — *agrest* — is used these days only by Joseph Alsop. (To denounce a proposal as *scary* is different: when someone or that person's theory is *scary*, a degree of weirdness or irrationality is imputed to the scarer, and suggests no fear in the *unkooky* sense.)

Nor does the person claiming to be *appalled* mean *confused*, *confounded*, *puzzled*, *bewildered* or otherwise not on top of the job of understanding everything profoundly. Although *amazed*, *surprised* and *astonished* are in the ball park, none of those emotions carry the necessary alarm and disapproval, nor do they cause the speaker to go pale.

What, then, does the word mean in current usage? One meaning of *appalled* is "struck dumb" or "dumbfounded." However, because *dumb*, in the sense of "stupid," is a slur on the speech-impaired, it is rarely used in politics (except in "That's a dumb idea, Pierre," when directed at an idea and not a person). No politician would say, "I am dumbfounded," because that would associate him with dumberness, suggesting his followers may be dummies; in the same way, "I am floored" suggests a loser, and "I am speechless" obviates the opportunity to provide a 60-second sound bite by making a short speech expressing why one has been rendered inarticulate.

The meaning intended, I think, is *dismayed*, which once meant "deprived of courage by sudden fear or confusion," but has come to mean "struck by a strong feeling of disappointment that carries an overtone of alarm and disapproval." Good word, widely understood, and most important, not hoity-toity.

There's another past participle to express disapproving surprise: *shocked*. One trouble with it, however, is its most famous use in a movie, when Claude Rains in "Casablanca" tells Humphrey Bogart that he is "shocked, shocked to find that gambling is going on here!" In the screenplay by Julius J. Epstein, Philip G. Epstein and Howard Koch (based on the play "Everybody Comes to Rick's" by Murray Burnett and John L. Balcon), the word is used ironically, the charmingly corrupt French official who wins in the gambling there, cannot be shocked at that or anything else. "I'm shocked" is borderline effeminate, as in "I'm hurt"; politicians (both male and female) are rightly leery of it.

Try *dismayed* for a while, or *amazed* or, even better, *blown*. Those are words voters use, and are using more and more.

HOW do we *dibble off* assertively? This department has long taken careful note of the changes in derogatory summations of what other people say, or *old times, and so forth and so on* was in vogue (in Germany, *und so weiter*), followed by *et cetera, et cetera, et cetera*. A generation ago, *yakety-yakety-yak* had it day, and in the 1970s *stuff-stuff-stuff* came and went. To some, whatever was the preferred way to indicate three dots at the end of a sentence (the "spoken ellipsis"), and perhaps the longest-lasting *dibble-off* was *blot-blot-blot*.

There is a new, widespread verbal shortcut making the rounds these days," writes Professor Dennis Dalton, director of freshman rhetoric at the University of Illinois at Urbana-Champaign, "one so recent that to far as I know it hasn't appeared in print before and consequently has no official spelling. . . . It is *humble*, like *in equally strong, more negative and possibly adolescent equivalent *blah-blah-blah*.*

I will represent the new *dibble-off*, which calls it a "summative," in this way: *duh-DAH-duh-DAH-duh-DAH*. The example the professor gives is, "The president said on television that the stock market crash was just a mild correction and not to panic about it and, you know, the dollar is strong and *duh-DAH-duh-DAH-duh-DAH-duh-DAH-duh-DAH*."

New York Times Service

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